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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

DAVID L. GENTRY, individually and as next
friend of minor Plaintiff, L.G., OSMANY
RODRIGUEZ, individually and as next friend
of minor Plaintiff, O.R., JOSHUA R.
MUNSON, individually and as next friend of
minor Plaintiffs, D.C., J.M., T.T. & R.T., and
LAVINA GANN, individually and as next
friend of minor Plaintiff, S.J., on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

ROBLOX CORPORATION, SATOZUKI
LIMITED B.V., STUDS ENTERTAINMENT
LTD., and RBLXWILD ENTERTAINMENT
LLC,

Defendants.

Case No.:

**CLASS ACTION COMPLAINT
FOR DAMAGES**

DEMAND FOR JURY TRIAL

Plaintiffs David L. Gentry, individually and as next friend of minor Plaintiff, L.G., Osmany Rodriguez, individually and as next friend of minor Plaintiff, O.R., Joshua R. Munson, individually and as next friend of minor Plaintiffs, D.C., J.M., T.T. & R.T., and Lavina Gann, individually and as next friend of minor Plaintiff, S.J., bring this Class Action Complaint against Defendants Roblox Corporation (“Roblox”), Satozuki Limited B.V. (“Satozuki”), Studs Entertainment Ltd. (“Studs”), and RBLXWild Entertainment LLC (“RBLXWild”), and make the following allegations based upon

1 information and belief, except as to allegations specifically pertaining to Plaintiffs, which are based
2 on personal knowledge.

3 NATURE OF THE ACTION

4 1. This is a case concerning an illegal gambling operation that is preying on children
5 nationwide. As described herein, Plaintiffs bring this action on behalf of themselves, their minor
6 children, and proposed classes of all those similarly situated against Roblox and its co-conspirators,
7 Satozuki, Studs, and RBLXWild. Together, these entities maintain and facilitate an illegal gambling
8 ecosystem, targeted at children, through Roblox's online gaming platform and digital currency.

9 2. Defendant Roblox is one of the largest and fastest growing gaming platforms in the
10 world, designed to bring users together in a virtual universe, or "metaverse." It is a free online gaming
11 platform that allows users to interact with one another, play games, and purchase items inside the
12 Roblox virtual universe.

13 3. Indeed, Roblox is the largest entertainment website in the world for kids, with over 60
14 million daily active users. The vast majority of Roblox's users are children under the age of 18. In fact,
15 at least 70% of Roblox's users are under the age of 18, with more than half of all users being under
16 the age of 13.

17 4. Roblox's market dominance in the children's video game sector is so large that
18 Roblox itself claims that more than 75% of the kids aged 9-12 in the United States use Roblox on a
19 monthly basis.¹

20 5. These children spend an enormous amount of time and money exploring the Roblox
21 world day in and day out.

22 6. However, even though these children have made Roblox extremely successful, Roblox
23 systematically takes advantage of them.

24 7. In its relatively short existence, Roblox has been surrounded by a deluge of negative
25 attention as a dangerous space for children. Multiple child advocacy agencies and consumer
26

27
28 ¹ Roblox, YOUTUBE (July 31, 2020, 3:45), <https://www.youtube.com/watch?v=G00GlCJc0mU>.

1 protection groups have spoken out about Roblox’s targeting of children with deceptive commercial
2 advertising and addictive content.²

3 8. Roblox has also been the subject of countless press articles describing how Roblox’s
4 child users are exposed to predatory conduct from other—primarily adult—users on the platform,
5 including “simulated violence, simulated sex, [and] simulated rape.”³

6 9. Roblox, along with its co-Defendants, is behind another growing problem that has
7 ensnared hundreds of thousands of its adolescent and teenage users, causing substantial financial
8 loss—illegal online gambling.

9 10. Roblox allows users to make purchases of virtual items to be used in games or apps
10 within the Roblox ecosystem. These purchases can be made with Roblox’s digital currency, called
11 Robux, which are exclusively created by and “only sold by the Roblox company.”⁴

12 11. Robux are purchased using a credit card or digital payment service and users then use
13 this digital currency to buy items within the various games hosted in the Roblox universe.

14 12. Because most of Roblox’s users are minors, Roblox allows adults, such as a user’s
15 parents, to purchase Robux for their children to use on the Roblox ecosystem. Roblox also sells gift
16 cards that permit the user—often a minor child—to make purchases of Robux.

17 13. In its Terms of Service, Roblox misleadingly represents to parents and other users that
18 its platform and digital currency are safe. Further, Roblox explicitly represents that “***experiences***
19 ***that include simulated gambling, including playing with virtual chips, simulated betting, or***
20 ***exchanging real money, Robux, or in-experience items of value are not allowed.***”⁵

21 14. But this representation is false, or misleading at best. In fact, Roblox allows third party
22 gambling websites, including the highly popular online casinos operated by Defendants Satozuki,
23 Studs, and RBLXWild (collectively, the “Gambling Website Defendants”), to use the Roblox website

24 ² See, e.g., <https://www.newsnationnow.com/investigation/roblox-advertising-practices/>.

25 ³ James Crummel, *Roblox risks: hidden dangers in your child’s favorite games*, ABC27.COM (Feb.
26 25, 2020), <https://www.abc27.com/local-news/roblox-risks-hidden-dangers-in-your-childsfavorite-games/>.

27 ⁴ <https://en.help.roblox.com/hc/en-us/articles/203313200-Ways-to-Get-Robux>

28 ⁵ <https://en.help.roblox.com/hc/en-us/articles/203313410-Roblox-Community-Standards> (emphasis added)

1 to accept online bets using Robux, to be placed on games at the Gambling Website Defendants' virtual
2 casinos. Roblox also facilitates the Gambling Website Defendants' efforts to track bets, complete
3 transactions, wager Robux, and satisfy wagers in their digital casinos.

4 15. All of the gambling transactions take place on Roblox's website under Roblox's virtual
5 roof and are monitored by Roblox.

6 16. Roblox maintains an internal ledger or other recording system whereby it tracks both
7 the flow and/or exchange of Robux on its platform, as well as the individuals and organizations
8 involved in such transactions.

9 17. Roblox registers each and every exchange of Robux for gambling credits and allows
10 illicit gambling, by minors, using the Roblox website. All of the gambling transactions require
11 Roblox's affirmative support to continue. Roblox profits from these transactions to the detriment of
12 its users, including its minor, adolescent, and teenage users.

13 18. Here is how the process works: Roblox's minor users first purchase Robux through the
14 Roblox website, using either their own money, a parent's credit card, or gift cards they possess. Next,
15 the minor user navigates to one of the Gambling Website Defendants' virtual casinos that exist outside
16 the Roblox ecosystem. Then, the user links their Robux wallet on Roblox's website to the gambling
17 website. And finally, once the minor-user's wallet is linked, the gambling website converts the minor
18 user's Robux into credits that can only be wagered in their virtual casinos. Throughout this process,
19 Roblox keeps track of all of these electronic transfers and has knowledge of each transfer that occurs
20 in its ecosystem.

21 19. Importantly, while a minor user must navigate off Roblox's website to access the online
22 casino and their new digital gambling credits, in reality the minor user's Robux have not been
23 converted to another currency and they never leave Roblox's website. Instead, the Gambling Website
24 Defendant merely take control of the Robux, while providing a corresponding number of "credits"
25 (which are also called Robux) on their third-party gambling websites.

26 20. Further, because the exchange of Robux must occur within the Roblox website, Roblox
27 allows the Gambling Website Defendants to establish a Robux exchange within the Roblox ecosystem.
28

1 21. If a user happens to win at Defendants' casino games, thereby increasing their total
2 credits, the Gambling Website Defendants transfer back to the user the additional value in Robux. If,
3 as is more likely and common, a minor user loses their credits in the Gambling Website Defendants'
4 virtual casino, those Defendants retain the user's Robux. The gambling credits function just like chips
5 in a brick and mortar casino; users "buy in" using their Robux, obtain chips, gamble until they lose
6 their money or wish to cash out, and, if they increase their credits, they cash those credits out in
7 exchange for Robux.

8 22. This entire exchange of Robux occurs on the Roblox platform with Roblox's
9 knowledge and active support, and Robux never leave the Roblox ecosystem unless and until they are
10 cashed out for fiat currency.

11 23. Roblox works with and facilitates the Gambling Website Defendants' use of its website
12 to offer illegal gambling opportunities to minor users.

13 24. Roblox could, of course, prohibit and/or stop the Gambling Website Defendants from
14 utilizing the Roblox ecosystem and digital currency to facilitate illegal gambling but it does not.

15 25. This is because Roblox is significantly enriched by this illegal scheme. After the
16 Gambling Website Defendants take Robux from adolescent and teenage users and ultimately convert
17 the Robux into cash, Roblox charges a 30% fee on this transaction, which amounts to millions in
18 annual cash fees.

19 26. Roblox and the Gambling Website Defendants have concocted an illegal gambling ring
20 to target the adolescents and teenagers who comprise the majority of Roblox's users. Roblox knows
21 its Robux are being used to place bets in illegal virtual casinos, directly facilitates this transfer within
22 the Roblox ecosystem, then imposes a fee on the ill-gotten gains accrued by the Gambling Website
23 Defendants when they seek to convert Robux to cash.

24 27. Plaintiffs' minor children—like hundreds of thousands of others across the United
25 States—fell prey to this illegal scheme and were victimized out of real money. As a result, the
26 Gambling Website Defendants have earned millions off the backs of those too young to legally gamble,
27 all the while providing Roblox with a sizable cut of the money they've illegally obtained.
28

28. Accordingly, this is a civil action seeking to put an end to this illegal scheme.

29. Through this class action lawsuit, Plaintiffs seek monetary damages, restitution, and declaratory and injunctive relief on behalf of proposed Classes of minor victims.

PARTIES

I. Plaintiffs

30. Plaintiff L.G. and his father and next friend, DAVID L. GENTRY, are citizens and residents of the State of South Carolina.

31. Plaintiff O.R. and his father and next friend, OSMANY RODRIGUEZ, are citizens and residents of the State of Florida.

32. Plaintiff D.C. and his father and next friend, JOSHUA R. MUNSON, are citizens and residents of the State of Georgia.

33. Plaintiff J.M. and his father and next friend, JOSHUA R. MUNSON, are citizens and residents of the State of Georgia.

34. Plaintiff T.T. and his father and next friend, JOSHUA R. MUNSON, are citizens and residents of the State of Georgia.

35. Plaintiff R.T. and his father and next friend, JOSHUA R. MUNSON, are citizens and residents of the State of Georgia.

36. Plaintiff S.J. and his mother and next friend, LAVINA GANN, are citizens and residents of the State of Tennessee.

II. Defendants

37. Defendant Roblox Corporation is a corporation existing under the laws of the State of Delaware, with its principal place of business located at 970 Park Place, San Mateo, California 94403. Roblox regularly conducts and transacts business in this District and throughout the United States.

38. Defendant Satozuki Limited B.V. is a foreign company registered in accordance with the laws of Curaçao, with its principal office at Abraham de Veerstraat 9, Willemstad, Curaçao. Satozuki owns and operates the popular gambling website RBXFlip.

39. Defendant Studs Entertainment Ltd. is a foreign company purportedly registered to do business in Cyprus. Studs owns and operates the popular gambling website Bloxflip.

40. Defendant RBLXWild Entertainment LLC is a domestic corporation existing under the laws of Delaware. RBLXWild owns and operates the popular gambling website RBLXWild. RBLXWild regularly conducts and transacts business throughout the United States.

JURISDICTION AND VENUE

41. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1332(d)(2) because this is a class action in which the matter in controversy exceeds \$5,000,000 exclusive of interest and costs, and Plaintiffs and members of the putative Classes are citizens of a state that is different from the states in which Defendants are citizens. Jurisdiction is also proper in this Court pursuant to 28 U.S.C. § 1331 because Plaintiffs' RICO claims arise under federal law and this Court has supplemental jurisdiction over Plaintiffs' state law claims under 28 U.S.C. § 1367.

42. This Court has personal jurisdiction over Defendants because they have their principal place of business in California, and/or because they have contacts with California that are so continuous and systematic that they are essentially at home in this state. All Defendants regularly conduct and solicit business in California, provide products and/or services by or to persons in the State of California, and derive substantial revenue from the same.

43. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) because a substantial part of the events or omissions giving rise to Plaintiffs' and the Class Members' claims occurred in this District, and Defendants are subject to the Court's personal jurisdiction.

BACKGROUND FACTS

44. Rampant fraud and predatory behavior have been reported on Roblox for years.

45. According to multiple reports and investigations, Roblox has failed to properly deal with fraud on the platform, wage disputes, sexual content, and abusive and predatory behavior displayed by some users and developers.⁶

⁶ Simon Parkin, *The trouble with Roblox, the video game empire built on child labour*, The Guardian (Jan. 9, 2022), <https://www.theguardian.com/games/2022/jan/09/the-trouble-with-roblox-the-video-game-empire-built-on-child-labour>; Burt Helm, *Sex, lies, and video games: Inside Roblox's war on*

46. Unfortunately, the users most often victimized by these practices are those that are the most vulnerable. Younger users, many of whom are under the age of 16, and who make up the majority of the users on the Roblox platform, are more likely to be targets of predatory or sexual behavior and more likely to be tricked, scammed, or defrauded out of their money or items.

47. Furthermore, these users are most at risk in the illegal gambling enterprise facilitated by Roblox. In 2022, between 60% and 80% of high school students reported that they had gambled for money in the past year.⁷ According to the Massachusetts Department of Public Health, problem gambling impacts 4-8% of youth, compared to just 1% of adults.⁸

48. Roblox and the Gambling Website Defendants act in concert to profit from gambling games meant to attract kids. The interface of these websites is more like a mix between a video game and a casino, and as a result, is more attractive to underage users.

49. And further, because of the creation of Robux, a digital currency with real-world value in a children's game, the child users on Roblox have become targets of sophisticated gambling operations without their parents' knowledge of such dangers.

50. As a result of the illegal gambling enterprise, Roblox has made substantial revenue via its transaction fees and Robux sales to the tune of tens of millions of dollars, seeking to turn its minor customers' gambling struggles into revenue. The Gambling Website Defendants, in turn, have unlawfully enticed Roblox's minor users to wager Robux in their online casinos, manipulating adolescents and teenagers out of digital currency worth tens of millions of dollars.

I. The Roblox Platform

A. Overview

51. Roblox was created in 2004 by David Baszukci and Erik Cassel, and it was released in 2006. Roblox is a 3D digital world that is entirely user generated, built by a community of nearly

porn, FASTCOMPANY (Aug. 19, 2021), <https://www.fastcompany.com/90539906/sexlies-and-video-games-inside-roblox-war-on-porn>.

⁷ Allie Weintraub et al., *Online gambling among youth worries experts, one teen says sports betting was an 'escape'*, ABC News (Dec. 8, 2022), <https://abcnews.go.com/US/onlinegambling-youth-worries-experts-teen-sports-betting/story?id=94577595> (last visited June 13, 2023).

⁸ See Dept. of Public Health, *Teens gambling. It's a risk*. Mass.gov (visited on May 1, 2023), <https://www.mass.gov/service-details/teens-gambling-its-a-risk>.

1 7 million developers. Most of the users on Roblox are kids, with estimates showing that more than
 2 half of all U.S. kids under the age of 16 are active on Roblox.⁹

3 52. The Roblox platform consists of two primary layers: the Roblox Client and the Roblox
 4 Studio. The Roblox Client is the application that allows users to explore 3D digital worlds through the
 5 eyes of an avatar, which each user customizes with clothing, gear, animations, simulated gestures,
 6 emotes, and other objects. The Roblox Studio is the toolkit developers and creators use to build,
 7 publish, and operate 3D experiences and content for the Roblox Client. These developers build games
 8 and objects that can be sold to users on the platform. Purchases can be made in the Avatar Shop using
 9 Robux, the digital currency created for the platform.

10 53. 46. Underlying everything on the Roblox platform is its digital currency—Robux.
 11 Although the platform is free, nearly all experiences require the user to spend Robux in order to
 12 participate in the activities on the platform.

13 54. As set forth in more detail below, Robux is sold on the Roblox platform in various
 14 quantities. Robux can then be spent on the platform to purchase various items and/or pay for in game
 15 experiences. Robux can also be converted back into real-world currency via the Developer
 16 Exchange Program.

17 55. Roblox earns revenue by, *inter alia*, selling Robux to users so that they can make in
 18 game purchases. Additionally, Roblox benefits financially from every transaction made on its
 19 platform by taking a 30% commission fee on all user-to-user transactions.

20 ***B. Roblox's In-Game Currency—Robux.***

21 56. Robux are the foundation of the entire Roblox platform. Roblox states in its March
 22 2022 quarterly Report that “[w]e generate substantially all of our revenue through the sales of our
 23 virtual currency, ‘Robux,’ which players can use to purchase virtual items sold by our developer and
 24 creator community on the platform.”¹⁰

25 ⁹ Taylor Lyles, “Over half of US kids are playing Roblox, and it’s about to host Fortnite-esque
 26 virtual parties too”, The Verge (July 21, 2020),
 27 <https://www.theverge.com/2020/7/21/21333431/roblox-over-half-of-us-kids-playing-virtualparties-fortnite>.

28 ¹⁰ See Roblox Corporation, Form 10-Q, at 59, March 31, 2022,

1 57. The Robux currency is not a cryptocurrency, but a digital currency. This means
2 transactions are not publicly recorded on a blockchain and Robux are not transferrable off platform.

3 58. Roblox, however, knows and keeps track of the acquisition and transfer of its digital
4 currency on its platform.

5 59. Although it is a digital currency, Robux have actual monetary value. One Robux is
6 currently equal to \$0.0125. Users can purchase Robux on Roblox at any time using a credit or debit
7 card. For instance, Roblox sells 400 Robux for \$4.99 and 800 Robux for \$9.99. Additionally, users
8 may subscribe to Robux Premium and receive a monthly allowance of Robux.

9 60. All transactions on Roblox are executed using Robux. Robux can also be exchanged
10 for real dollars.

11 61. Until 2013, Roblox did not allow Robux to be exchanged for real dollars. Then in 2013,
12 Roblox implemented the Developer Exchange Program, through which developers on the platform
13 may exchange Robux for real world currencies.

14 62. Roblox requires developers that wish to exchange Robux for cash to join the Developer
15 Exchange Program so that Roblox can control the manner in which those developers utilize and
16 interact with the Roblox ecosystem, and so Roblox can more easily monitor Robux exchanges.

17 63. The advent of the Developer Exchange Program has attracted an enormous amount of
18 users to the platform in search of riches in exchange for developing experiences or items on Roblox.
19 The yearly payout to developers on the platform has continued to increase year over year, with Roblox
20 paying out \$500 million to developers in 2021.

21 64. With that kind of money being exchanged for Robux, it's no surprise the platform has
22 also been overrun with predatory behavior, fraud, and gambling.

23 ***II. Roblox's Illegal Gambling Enterprise***

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27 [https://d18rn0p25nwr6d.cloudfront.net/CIK-0001315098/ea0f0408-7ea4-48f8-a127-
28 fef1fdb69aa3.pdf](https://d18rn0p25nwr6d.cloudfront.net/CIK-0001315098/ea0f0408-7ea4-48f8-a127-fef1fdb69aa3.pdf).

65. Roblox, in conjunction with the Gambling Website Defendants, has directly assisted in creating the unregulated market of virtual casino games that run adjacent to and rely on the Roblox platform.

66. The extreme pace of growth of Roblox use among children has opened up a whole new market to online gambling enterprises. Children, who previously could not access the funds to participate in online gambling, now have, collectively, billions of Robux at their disposal.

67. Many times, children are able to gamble money on these virtual casinos without their parents' knowledge because they use Robux to facilitate the gambling transactions. Parents unwittingly provide the gambling funds to their children under the mistaken belief that their children are using Robux to purchase items that will enhance or accessorize a legitimate and/or harmless gaming experience.

68. As set forth herein, however, Roblox and the Gambling Website Defendants work together to divert adolescent and teenage users to third-party gambling websites where Robux can be gambled away on virtual games of chance, enriching both Roblox and the Gambling Website Defendants.

A. The Illegal Gambling Websites

69. A growing secondary market for gambling is present on Roblox. This system is comprised of three primary third-party gambling websites (the "Illegal Gambling Websites") that feature games of chance such as coin flips, roulette, slot machines, treasure chests, as well as other pure gambling games like blackjack and dice.

70. The three primary Illegal Gambling Websites are RBXFlip, which is operated by Satozuki; Bloxflip, which is operated by Studs; and RBLXWild, which is operated by BLXWild.

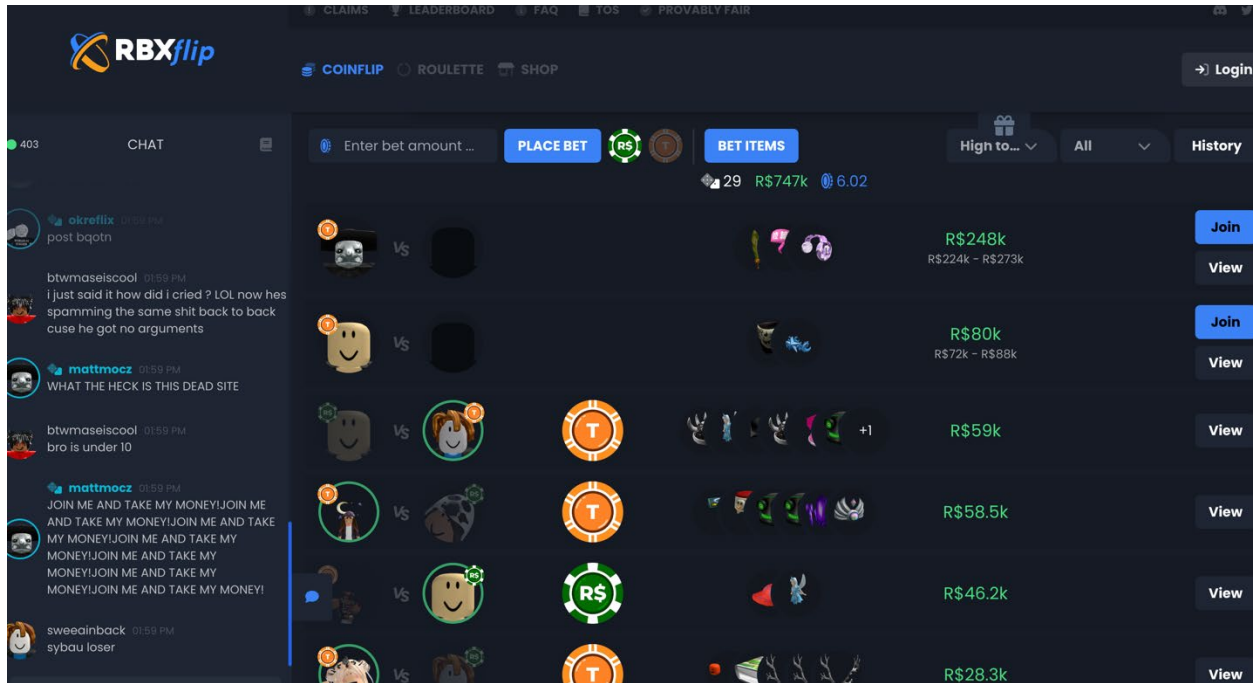
71. The Illegal Gambling Websites are each part of Roblox's Developer Exchange Program, allowing them to exchange Robux acquired from Roblox's minor users for real-world currency.

72. Each of the Illegal Gambling Websites operates on or in concert with Roblox and the Gambling Website Defendants, facilitating an exchange of Robux for gambling credits that occurs on

the Roblox platform. Indeed, Robux never leave the Roblox platform until they are exchanged for cash. Once a minor user's credits are exhausted, the Gambling Website Defendants cash out their newly-acquired Robux and provide Roblox with its 30% transaction fee.

73. These websites all have substantially similar interfaces, which make it easy for a Roblox user to sign up, link their Roblox account, and begin gambling. The interface from Bloxflip and RBXFlip are set forth below:





74. The Illegal Gambling Websites are not registered with any state or licensed to operate a casino or online gambling operation.

75. Users of the Illegal Gambling Websites can deposit funds onto the website by linking their Roblox account and depositing Robux.

76. Prior to Roblox attaining popularity, these types of gambling websites did not have access to a vast underage online audience with funds to gamble.

77. However, because of the Roblox ecosystem, millions of children now have transferrable funds in the form of Robux that they can gamble with.

78. As a result, most of the Illegal Gambling Websites' audience is children who use Roblox. The Illegal Gambling Websites do not engage in any kind of age verification or identification processes to prevent underage users from participating.

79. Furthermore, although many of the games on the Illegal Gambling Websites are traditional gambling games, some are newer betting games such as "flip" and "crash," which are more like video games where bets are made, making them more appealing to a younger audience.

1 80. Because the exchange of Robux for gambling credits occurs on the Roblox platform,
2 using Roblox’s technology and digital currency, Roblox has knowledge of these exchanges and
3 facilitates them. When the Gambling Website Defendants cash out their ill-gotten gains, Roblox

4 81. also earns money on the cash-out fees. In short, all Defendants work together to enrich
5 themselves and each other at the expense of their adolescent and teenage users.

6 ***1. RBXFlip***

7 82. RBXFlip was the first major third-party gambling website to operate with Roblox,
8 launching in approximately 2019. As its name suggests—“RBX” is short for Robux—the site was
9 designed for and dependent upon Roblox’s legions of minor users gambling away Robux purchased
10 through Roblox’s ecosystem.

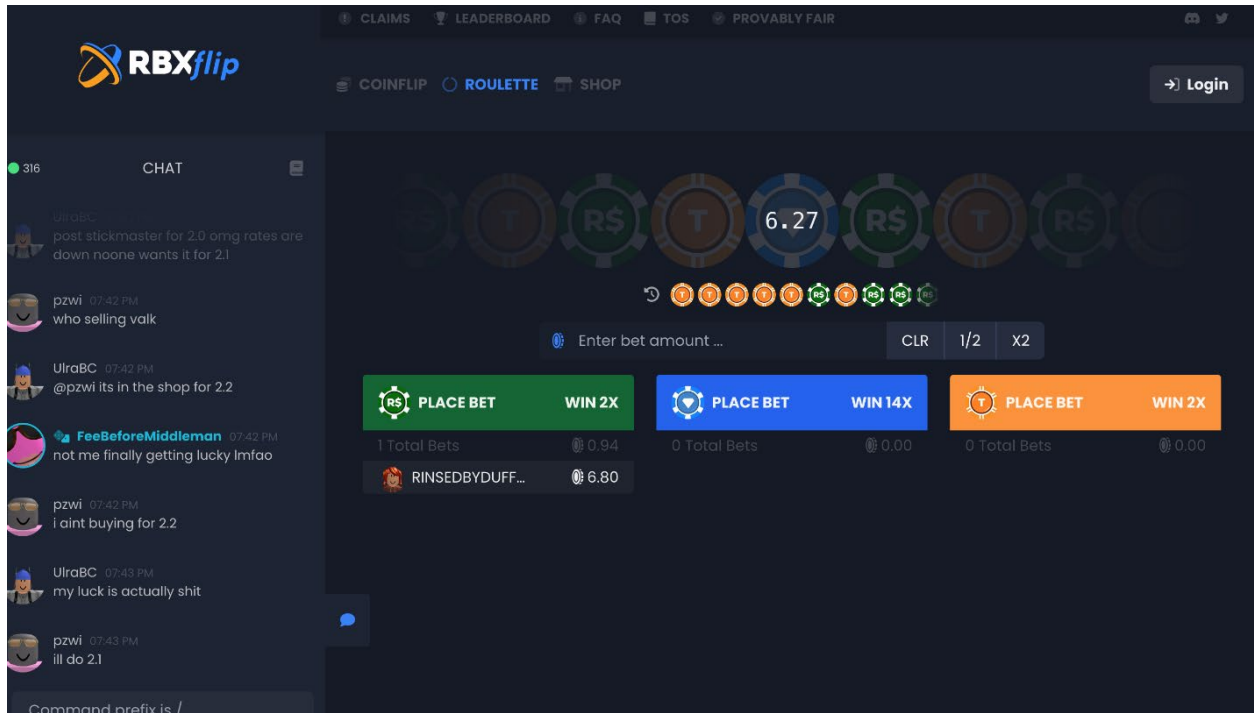
11 83. RBXFlip describes itself as “the leading peer 2 peer marketplace with fun & fair
12 games” where users can bet Robux to play casino-style games.¹¹

13 84. RBXFlip expressly acknowledges that it operates as a gambling website, stating in
14 section 1.6 of its terms of service that the “games” contained on its website “shall mean Casino, Live
15 Casino, Sportsbook, cards, and other games.”¹²

16 85. Before even signing in, RBXFlip prominently displays two casino “games” on its
17 homepage: Coinflip and Roulette. Both “games” allow players to bet Robux:

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27 ¹¹ <https://rbxflip.com/coinflip?modal=FAQ>

28 ¹² *Id.*



86. RBXFlip’s homepage further acknowledges, “Gambling means for the majority of our Users, entertainment, fun and excitement. But we also know that for some of our Users gambling has negative side effects.”¹³

87. But yet, RBXFlip incentivizes problematic gambling by offering “bonuses, coupons, loyalty points [and] prizes.”¹⁴ To obtain these benefits, users must satisfy RBXFlip’s “wagering requirements,” which are “the total amount of bets you must stake before the bonus and any accrued winnings are transferred into your cash balance and can be withdrawn.”¹⁵

88. Although RBXFlip’s terms of service state that “Persons who are under age of 18 years are not allowed to use the Website and/or any services available on it,” the site’s own promotional material contradicts its claim. In a video entitled, “RBXFlip Login Tutorial And How to Win Roblox Gambling,” which has thousands of views, an RBXFlip spokesperson states that the first “Requirement to Gamble” on “our” website is that the Roblox user has an “Account age 13+.”¹⁶

89. The RBXFlip spokesperson continues by demonstrating how any user can connect

¹³ <https://rbxflip.com/coinflip?modal=responsible-gambling>

¹⁴ <https://rbxflip.com/coinflip?modal=ToS>, at 16.7

¹⁵ <https://rbxflip.com/coinflip?modal=ToS>, at 16.10.2.11.

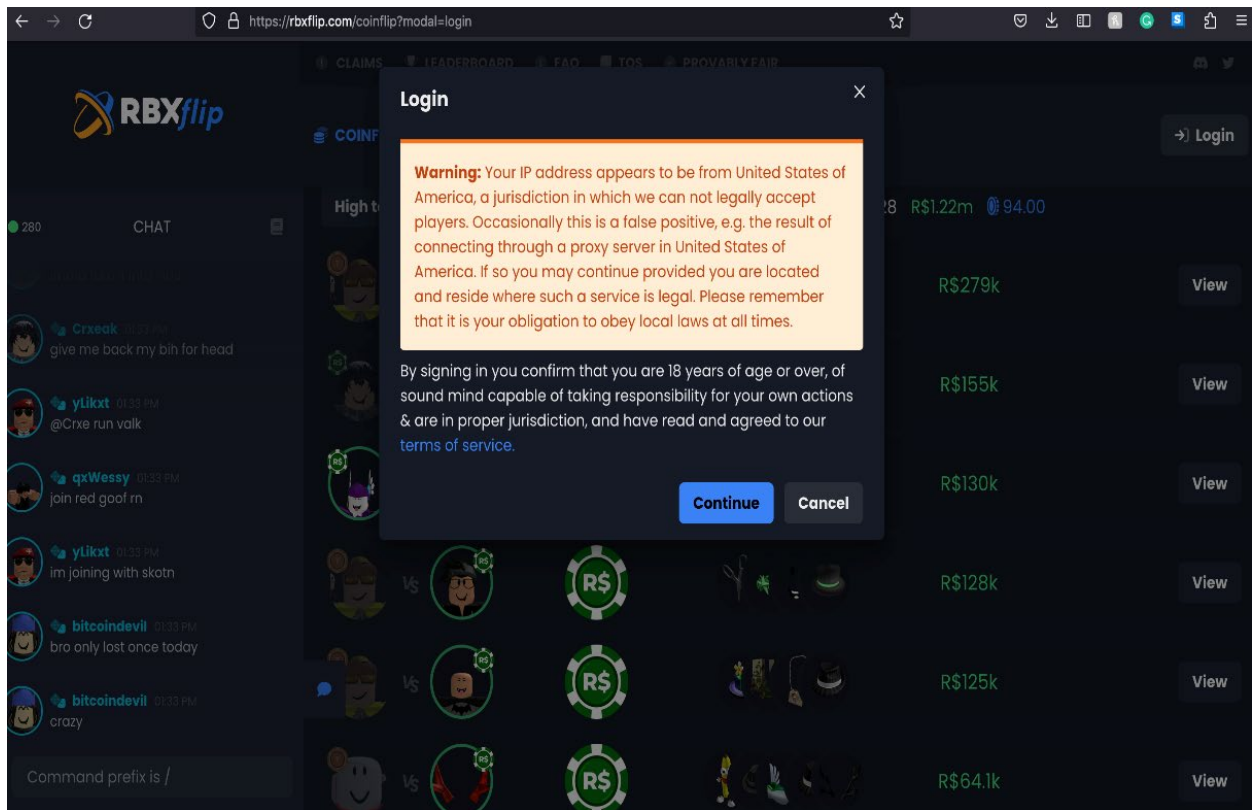
¹⁶ <https://www.youtube.com/watch?v=2jwhcFgmB6Q>

1 their Roblox account to RBXFlip and how, when gambling on its website, the user's Robux are
2 "sent to one of our storage bots for it to hold for the duration of the game." This storage bot is
3 located on Roblox's website and uses Roblox's technology to exchange Robux for gambling credits,
4 with Roblox's knowledge. The storage bot, or RBXFlip itself, is also part of Roblox's Developer
5 Exchange, allowing RBXFlip to cash out its ill-gotten Robux for real-world currency. All
6 participants in the Developer Exchange must register with Roblox, meaning Roblox has a full
7 understanding of the entities that participate through its Developer Exchange.

8 90. Minor users are easily able to create an account by copy and pasting their Roblox
9 "cookie"—their unique security code—when prompted. This "cookie" is information Roblox
10 generates on its website and tracks, thus providing it with knowledge of when a Roblox user's
11 "cookie" is linked to another website such as RBXFlip and facilitating the transfer of Robux to this
12 illegal online casino.

13 91. RBXFlip also fails to utilize any age verification measures, meaning that any user,
14 regardless of their actual age, can access the site and place bets using their Robux.

15 92. While RBXFlip states that its casino games are not accessible "from the United States,"
16 this warning does not actually prohibit users in the United States from gambling on the website and is
17 easily bypassed by pressing a bright blue "continue" button that appears on the website's entry screen,
18 as shown below:



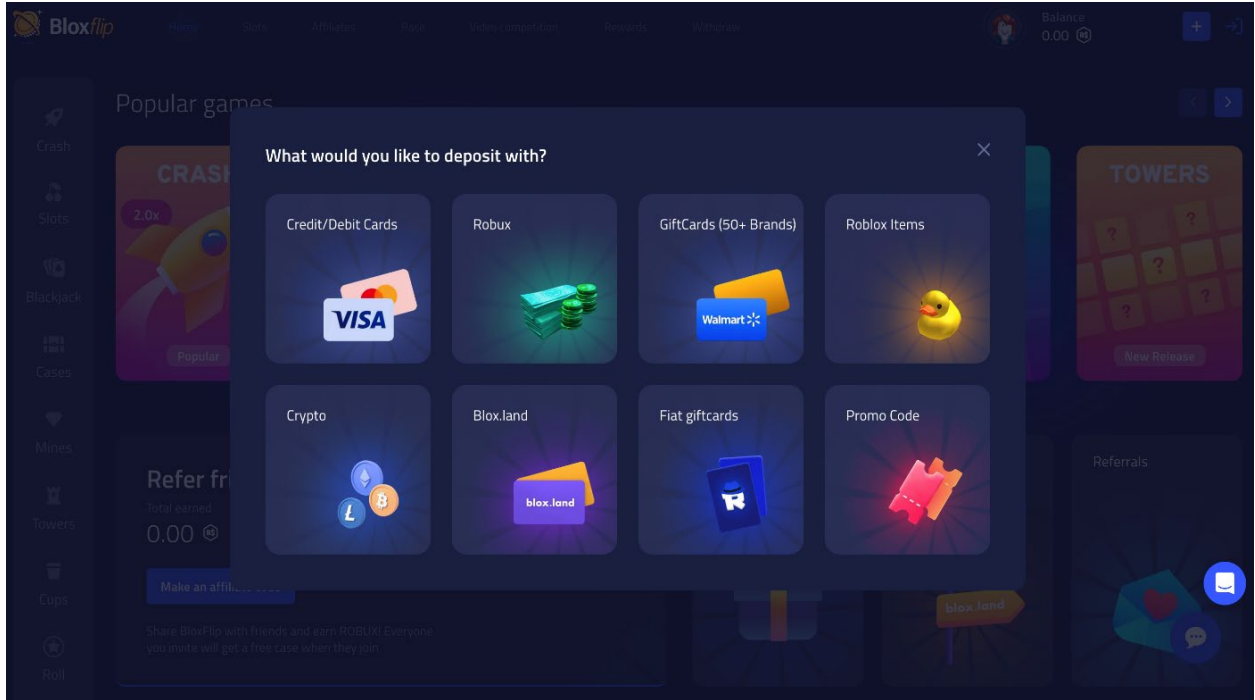
93. Roblox has never attempted to prevent RBXFlip from operating its online casino using Robux. Indeed, Roblox has only tried to curtail RBXFlip's conduct in one instance: in 2019, Roblox demanded that RBXFlip stop using its copyrights on the RBXFlip website. Roblox did not, at this time or any other, demand that RBXFlip cease operating a gambling operation dependent upon the Roblox ecosystem and the Robux digital currency.

94. RBXFlip does an enormous amount of its business in Robux. In December 2021, RBXFlip's owner claimed that the platform generated upwards of 10 million Robux on a daily basis.

2. Bloxflip

95. Bloxflip, like RBXFlip, is an online casino catering to Roblox's adolescent and teenage users. As of 2022, it was one of the most visited websites in the world with over 5.7 million monthly visitors.

1 96. Bloxflip describes itself as a “betting service that allows users to play a variety of
2 chance-based games (‘Games’) using . . . the virtual in-game currency used by players of Roblox
3 (‘Robux’).”¹⁷



15 97. The site further declares that it is “the #1 social casino for wagering ROBUX!”¹⁸

16 98. When a user navigates to Bloxflip’s page, they are encouraged to “Deposit . . ROBUX
17 . . . to receive a balance on the site to start playing!”¹⁹

18 99. Bloxflip’s homepage features several ways to gamble a user’s Robux, with games like
19 “Crash,” “Blackjack,” “Slots,” “Plinko,” and “Slide (Roulette),” and includes a live feed of each “bet”
20 and the current “payout” from each of these casino games.²⁰

21

22

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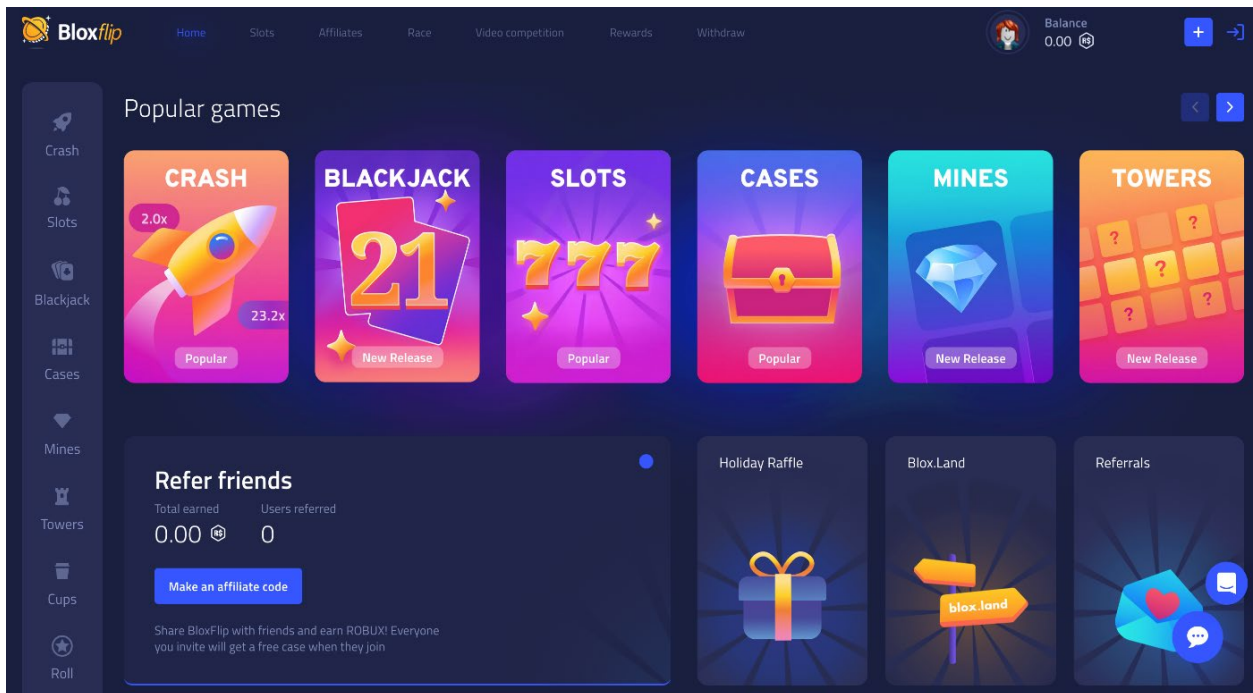
24

25 ¹⁷ <https://bloxflip.com/terms>

26 ¹⁸ <https://bloxflip.com/>, at FAQ

27 ¹⁹ <https://bloxflip.com/>, at FAQ

28 ²⁰ A tutorial for how to play each game can be found on Youtube in the video entitled, “A Beginners Guide to BloxFlip.” See <https://www.youtube.com/watch?v=35Lkf3SBwJU&t=7s>.



The screenshot displays the 'Live feed' section of the Bloxflip website. It features a sidebar on the left with the same game categories as the previous screenshot. The main content area is titled 'Live feed' and has three tabs: 'All bets', 'High wins', and 'Lucky wins'. The 'All bets' tab is selected, showing a table of recent bets. The table has columns for Game, Username, Time, Bet, Multiplier, and Payout. The data is as follows:

Game	Username	Time	Bet	Multiplier	Payout
Cases	Fallguyfortnitebob	17:22	435	1.23 x	+ 537
Plinko	321xrellik	17:22	50	1.00 x	0
Slots	linus_minus08	17:22	75	0.82 x	+ 61.7
Slots	jucatormincraft	17:22	4,800	1.00 x	+ 4,800
Mines	JAKEQUIL123	17:22	50	0.00 x	- 50
Case Battle	Frororao	17:22	41	1.83 x	+ 75
Towers	urfatni	17:22	50	2.02 x	+ 101.25

100. Although Bloxflip claims that users must be over eighteen to gamble, the website does not use any age verification software and users under the age of eighteen are freely able to access the website and gamble. All that is needed to log in to Bloxflip is a “Roblox username.”

101. Further, Bloxflip encourages minor users to promote its illegal gambling website by offering free Robux to users who promote Bloxflip on the popular social media product TikTok.

102. For example, Bloxflip entered into a paid partnership with TikTok influencer RizJhadan_roblox, who has over 250,000 followers, to advertise its illegal gambling website to

1 children. One video, entitled, “Finding Roblox Games, So you Don’t Have Too!!! Check Our BloxFlip
 2 in Bio!!!” is marked as a “paid partnership,” and has been viewed over 1.7 million times and “liked”
 3 over 113,000 times.²¹ In this sponsored post, the TikTok influencer tells his adolescent audience that
 4 in just “10 minutes” he was able to win “over 100k plus” worth of Robux, and states that “you guys
 5 can too.”

6 103. As the above example demonstrates, Bloxflip was designed to attract Roblox’s minor
 7 users who could illegally gamble on the site using their Robux. For this reason, Bloxflip entered a paid
 8 partnership with an influencer whose name incorporates the word “roblox,” and the illegal gambling
 9 website’s name itself is a reference to the Roblox gaming platform.

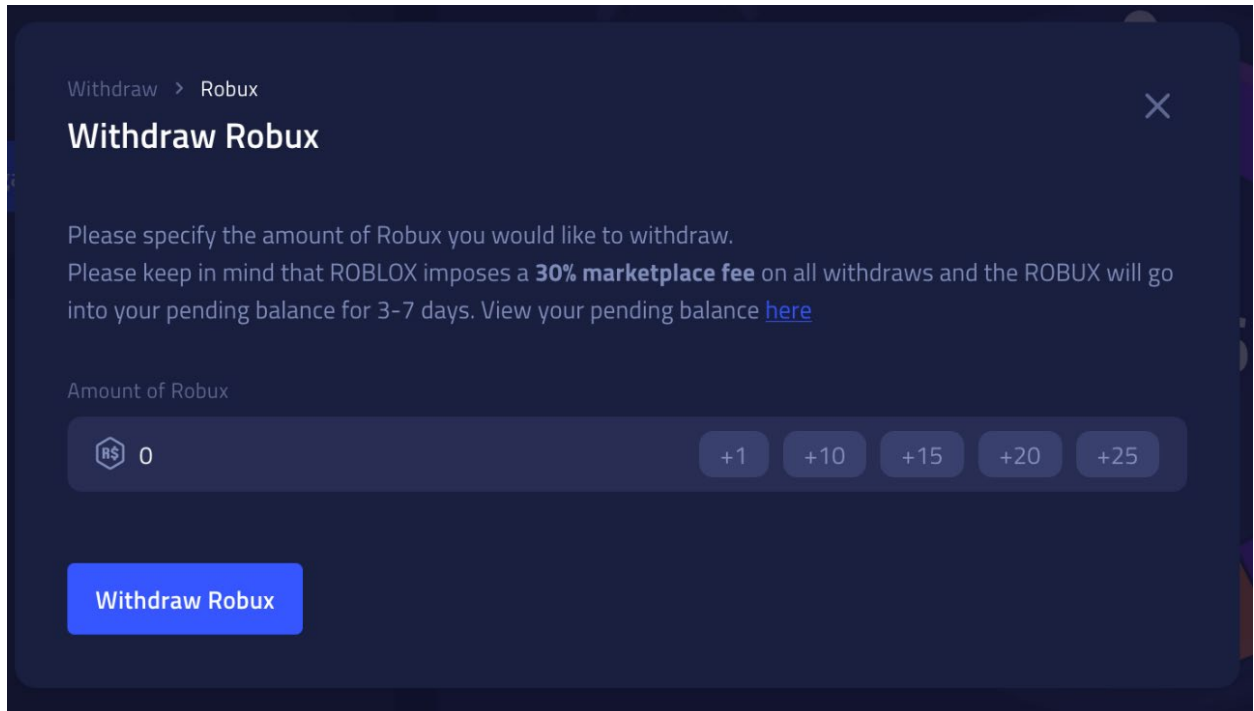
10 104. Although Bloxflip’s website states that “Robux have no cash value and are for
 11 entertainment purposes only,” its terms of service describe the process by which a user can “Cashout
 12 your ROBUX into your account.”²²

13 105. When a user attempts to withdraw Robux from Bloxflip’s casino website, Bloxflip
 14 notifies the user that “ROBLOX imposes a 30% marketplace fee on all withdraws and the ROBUX
 15 will go into your pending balance for 3-7 days.”²³

26 _____
 27 ²¹ https://www.tiktok.com/@rizjhadn_roblox/video/7144340043300097281?lang=en

28 ²² <https://bloxflip.com/terms>

²³ *Id.* (emphasis in original)

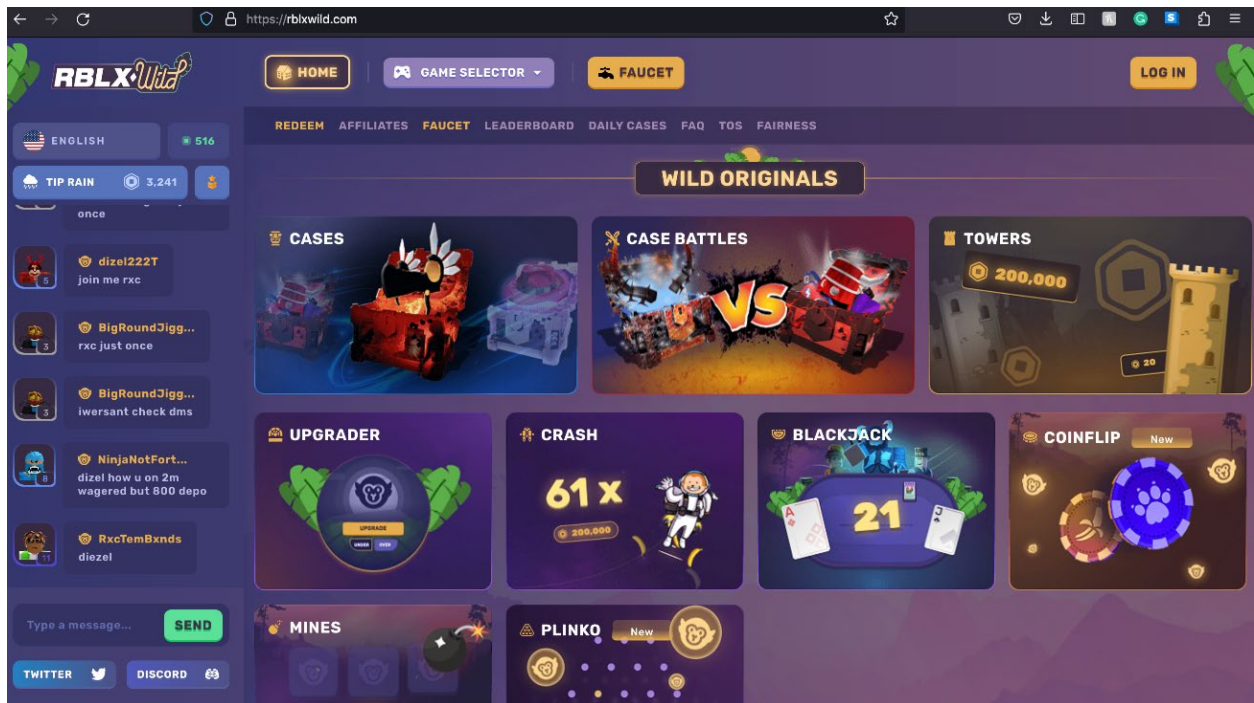


106. Bloxflip, like RBXFlip, uses a storage bot to accept and hold minor users' Robux on the Roblox platform. This storage bot is located on Roblox's website and uses Roblox's technology to exchange Robux for gambling credits, with Roblox's knowledge. The storage bot, or Bloxflip itself, is also part of Roblox's Developer Exchange, allowing Bloxflip to cash out its ill-gotten Robux for real-world currency. All participants in the Developer Exchange must register with Roblox, meaning Roblox has a full understanding of the entities that participate through its Developer Exchange.

107. In a 2022 interview, Bloxflip's founder stated that he was "inspired" to create Bloxflip when he "saw the success of RBXFlip."²⁴ He further claimed that he designed the website to offer "PvP gambling" that focused on betting with Robux, which "open[ed] [the site] to more people." The Bloxflip founder also proclaimed that Bloxflip was the "#1 Roblox gambling site." Again, Bloxflip, like RBXFlip, is intended to capture Roblox's audience of minors, all while enriching both the operators of the website and their collaborators at Roblox.

3. *RBLXWild*

²⁴ <https://www.youtube.com/watch?v=yFaR33G5yhQ>



108. RBLXWild opens to a homepage that features many games in which minors may gamble, including “BlackJack,” “Coinflip,” “Plinko,” and more.

109. RBLXWild’s homepage is designed to appeal to children and resemble a virtual arcade, with the website featuring cartoonish images to advertise each casino game.

110. RBLXWild exchanges Robux for gambling credits on the Roblox platform using a storage bot, just like the other Gambling Website Defendants. This storage bot is located on Roblox’s website and uses Roblox’s technology to exchange Robux for gambling credits, with Roblox’s knowledge. The storage bot, or RBLXWild itself, is also part of Roblox’s Developer Exchange, allowing RBLXWild to cash out its ill-gotten Robux for real-world currency. All participants in the Developer Exchange must register with Roblox, meaning Roblox has a full understanding of the entities that participate through its Developer Exchange.

111. The site explains that users can increase their “site balance,” and thereby continue to gamble, “by depositing more . . . Robux.”²⁵

²⁵ <https://rbloxwild.com/?modal=general-tos>

112. RBLXWild, like the other Illegal Gambling Websites, also allows users to withdraw Robux from their accounts, explaining that any amount withdrawn will be reduced by the “30% fee that Roblox charges.”

113. Although RBLXWild claims that users must be over eighteen to access the site, it employs no age verification mechanisms to prohibit those under the age of eighteen from accessing the website and placing bets.

114. Further, RBLXWild pays social media influencers to advertise and promote RBLXWild to children.²⁶ Several videos available on YouTube, for example, suggest that minor users can make enormous profits by gambling on RBLXWild. These videos have titles such as “I won over 5 million R\$ In this Battle! (RBLXWild),”²⁷ and “I Won R\$50,000 On RBLXWild! (Real Balance).”²⁸ The use of “R\$” in these titles and others is a reference to Robux.

115. Indeed, the name RBLXWild is itself a reference to Roblox and its digital currency, Robux, and the site is designed to attract Roblox’s minor users who will wager the ecosystem’s digital currency, all while RBLXWild and Roblox share the profits.

116. As set forth herein, each of the Illegal Gambling Websites works closely with Roblox and is intended to attract Roblox’s minor users, who can freely wager their Robux. B. Roblox’s Facilitation, Control, and Profit Sharing with the Illegal Gambling Websites

117. Roblox knowingly and intentionally allows the Illegal Gambling Websites to operate in the Roblox ecosystem, access the Roblox platform, and facilitates the accessibility of illegal online casinos to its minor users. Further, because each of the Gambling Website Defendants must register themselves, or through a proxy, in Roblox’s Developer Exchange Program, Roblox knows and understands that these entities move large quantities of Robux through the Roblox platform and in exchange for real-world currency.

118. Because Robux is not a cryptocurrency, but merely a digital currency, it cannot be

²⁶ <https://www.youtube.com/watch?v=2OPF9PWvi8A> (stating that this video, with over 60,000 views, is sponsored by “Wild”).

²⁷ <https://www.youtube.com/watch?v=LzVi8Rd-99E>

²⁸ <https://www.youtube.com/watch?v=Odf3I9X3nZM>

1 removed from the Roblox platform. This means that when a user “deposits” Robux onto an Illegal
2 Gambling Website, something else is really going on. The user’s Robux do not leave the Roblox
3 platform, but instead are transferred to another Roblox account controlled by a Gambling Website
4 Defendant. Meanwhile, the user’s Illegal Gambling Website account shows that it holds the equivalent
5 amount of gambling credits, which are also called “Robux” by each of the Gambling Website
6 Defendants.

7 119. Roblox monitors and records each of these illegal transactions, yet does nothing to
8 prevent them from happening.

9 120. Here is how the practice works. When a Roblox user visits an Illegal Gambling
10 Website, the user links their Roblox account to the gambling website by providing their login
11 credentials or Roblox Security Token. Once the Illegal Gambling Website has this information, the
12 user enters the amount of Robux they wish to deposit. The Illegal Gambling Website, now having
13 control of the user’s account, automatically initiates a removal of Robux from the user’s account
14 without any additional input from the user and then credits the user’s gambling account with the equal
15 amount of Robux.

16 121. However, the Illegal Gambling Website is not actually transferring Robux from the
17 Roblox platform to the Illegal Gambling Website. Instead, the Gambling Website initiates a
18 transaction on Roblox between the user and a “stock” Roblox account (the “Stock Account”)
19 controlled by the Illegal Gambling Website. Because Roblox does not allow users to gift Robux to
20 each other, the Illegal Gambling Website initiates a sale of a worthless item or experience from the
21 Stock Account to the user for the amount of Robux the user wishes to deposit on the gambling website.

22 122. The Illegal Gambling Website now holds the user’s Robux in their Stock Account
23 on the Roblox system, and the user’s account on the Illegal Gambling Website is credited with a
24 digital credit also labeled “Robux,” with which the user can now gamble.

25 123. Upon conclusion of gambling, a user may wish to withdraw their Robux from the
26 Illegal Gambling Website. Just like the initial deposit process, the withdrawal process is not an actual
27 withdrawal, but merely a subtraction of the “Robux” on the gambling account and transfer actual
28

1 Robux back to the user's Roblox account by one of the Illegal Gambling Website's Stock Accounts.
2 For instance, after the withdrawal of Robux, a user can see that their account now contains the Robux
3 withdrawn from the Illegal Gambling Website. If the user reviews their "Sale of Items" page on their
4 Roblox account, they can see that they received those Robux in exchange for the sale of a useless, or
5 dummy, item or experience.

6 124. However, the user will notice that after the withdrawal, their balance of Robux will be
7 less than the amount they had on the Illegal Gambling Website. This is because Roblox takes a 30%
8 fee on all transactions on the platform.

9 125. For example, if the user withdrew 1000 Robux from an Illegal Gambling Website, they
10 would only receive 700 Robux after the transfer from the Stock Account and Roblox will take the
11 other 300 as a transaction fee.

12 126. Roblox also takes a 30% fee on the original "deposit" transaction that occurs as a result
13 of the user "depositing" Robux onto the Gambling Website.

14 127. Therefore, Roblox collects a 30% fee off every transaction that deposits or withdraws
15 funds on the Illegal Gambling Websites, earning Roblox millions in real-world revenue.

16 128. As described above, Roblox earns nearly all of its \$2 billion in annual revenue from
17 selling users Robux and charging transaction fees on all transactions on the platform.

18 129. Robux are an item of value equal to real-world currency. As described above, they have
19 an exchange rate with the dollar and Roblox regularly pays out hundreds of millions of dollars to
20 developers on its Robux exchange.

21 130. As a result, Roblox profits from the gambling losses incurred by its users on the Illegal
22 Gambling Websites and even charges fees on the transactions that facilitate the gambling.

23 131. Furthermore, Roblox monitors and facilitates these exchanges of Robux, and tacitly
24 approves the Illegal Gambling Websites' use of Stock Accounts to "hold" Robux in exchange for
25 gambling credits that Roblox's minor users can utilize to place bets on the Illegal Gambling Websites.

26 ***C. Roblox Knows These Transactions are Facilitating Illegal Gambling but Continues to***
27 ***Allow the Transactions and Collect Fees Anyway.***
28

132. Roblox knows that the Gambling Website Defendants use these Stock Accounts to facilitate transactions on the platform and that they are accessing Roblox servers in order to facilitate Illegal Gambling Website user transactions. Indeed, all such Accounts are required to register with Roblox through its Developer Exchange Program.

133. Indeed, Roblox monitors each and every transaction for Robux on its website.

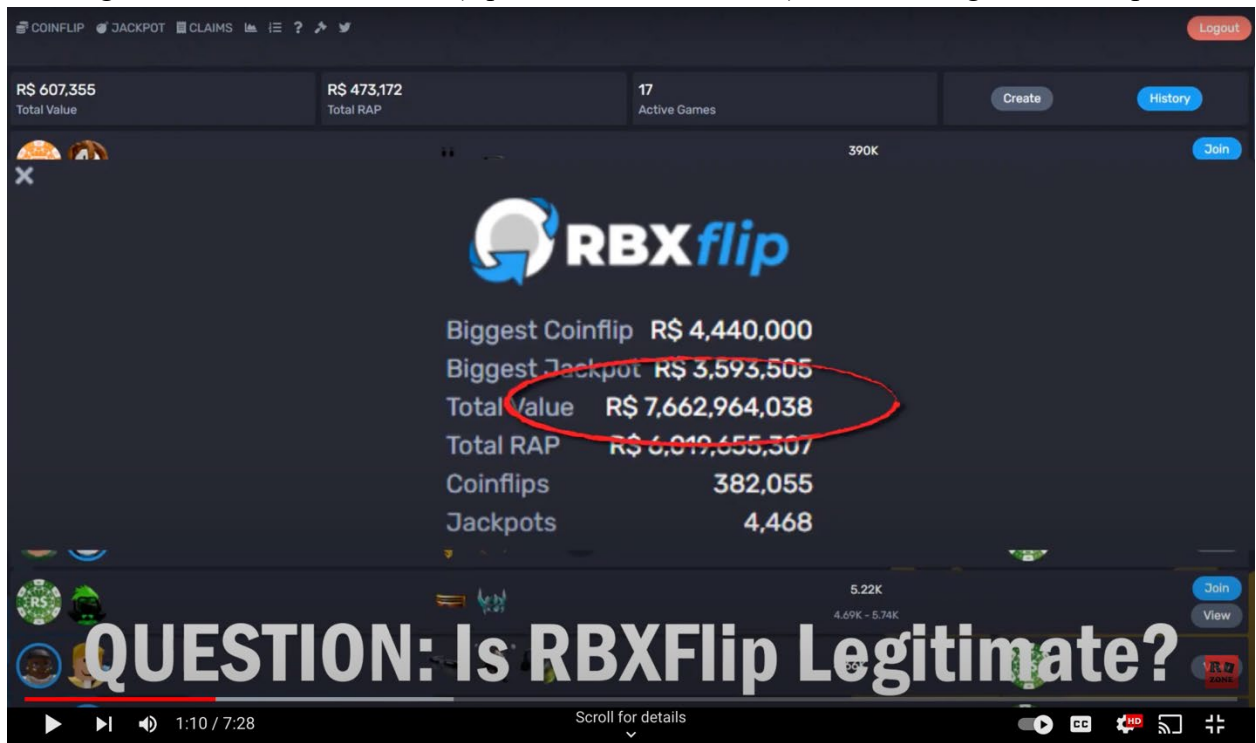
134. Roblox has acknowledged in court filings that it can identify, track, and disable accounts using the Roblox platform for illegal purposes. For example, in a March 28, 2023, filing in the Northern District Court of California, Roblox and the plaintiffs filed a Notice of Motion and Motion in Support of Class Settlement as part of *Jane Doe v. Roblox Corp.*, No. 3:21-cv-03943-WHO (N.D. Cal. Mar. 28, 2023). The filings stated that as part of the settlement terms, Roblox and the plaintiff had identified 311 accounts on its platform that spent over 80,000 Robux (equaling over \$1000) engaging in suspicious behavior like purchasing the same virtual item from the same seller multiple times and creating and purchasing their own virtual item, which is exactly the procedure the Gambling Website Defendants utilize to exchange Robux for gambling credits. Roblox excluded these accounts from the settlement class and named them the “laundering exclusion” because it suspected they were engaged in money laundering or other suspicious activities.

135. The “laundering exclusion” class in Roblox’s settlement statements describes the type of transactions that the owners of the Illegal Gambling Websites use to facilitate the transfer of Robux on and off of the gambling platforms.

136. Roblox admits that it can identify such suspicious activity and even labels it as so but refuses to ban these accounts. Furthermore, Roblox continues to earn a 30% commission on each of these suspicious transactions, reaping extraordinary profits.

137. Roblox can also monitor and identify third-party websites, such as the Illegal Gambling Websites, that access its computers and servers in order to facilitate the gambling transactions. Indeed, Roblox actively monitors these websites and keeps track of their exchange of Robux for gambling credits. Many of the Illegal Gambling Websites claim to have had millions of dollars’ worth of Robux

1 wagered on their platforms. For example, RBXFlip's owner shared a screenshot in a 2020 interview
 2 showing that over 7 billion Robux (equal to over \$70 million) had been wagered on the platform.²⁹



138. Further, the owner stated in 2021, that RBXFlip made ten times as much revenue that
 139. year as it had previously, indicating the amount of Robux bet on that one platform is likely in the
 140. hundreds of millions.³⁰

139. Roblox cannot credibly claim it is unaware of the Illegal Gambling Websites since
 140. numerous Roblox-affiliated social media influencers have gone public about their concerns that the
 141. site is permitting children to be preyed upon.

140. As far back as at least 2019, Roblox social media celebrity "KreekCraft"
 141. (@KreekCraft), who has 1.3 million followers, tweeted that he "Heard a lot about rbxflip today. For
 142. the people unaware it's a Roblox robux gambling site. 1. It is ILLEGAL for anyone not an adult to

²⁹ RoZone, "Interviewing The FOUNDER Of RBXFlip!," YouTube (Dec. 28, 2020, at 1:08),
<https://www.youtube.com/watch?v=J88I7Y3JF-s>.

³⁰ RoZone, "Interviewing The FOUNDER Of RBXFlip | 2021," YouTube (Dec. 5. 2021),
<https://www.google.com/search?q=Interviewing+The+FOUNDER+Of+RBXFlip+%7C+2021&oq=Interviewing+The+FOUNDER+Of+RBXFlip+%7C+2021&aqs=chrome..69i57j69i61.453j0j7&sourceid=chrome&ie=UTF-8#fpstate=ive&vld=cid:88c7b884,vid:ELeXsMr2wco>.

1 gamble. 2. Don't use it. You'll be banned." Roblox frequently interacts with "KreekCraft" on social
 2 media and monitors his Twitter account. As but one example:



1 141. Accordingly, Roblox knew or should have known that one of its primary social media
 2 personalities was raising alarms about RBXFlip. But Roblox did nothing because, unbeknownst to
 3 “KreekCraft” and his followers, Roblox was making significant profit off RBXFlip’s gambling
 4 operation.

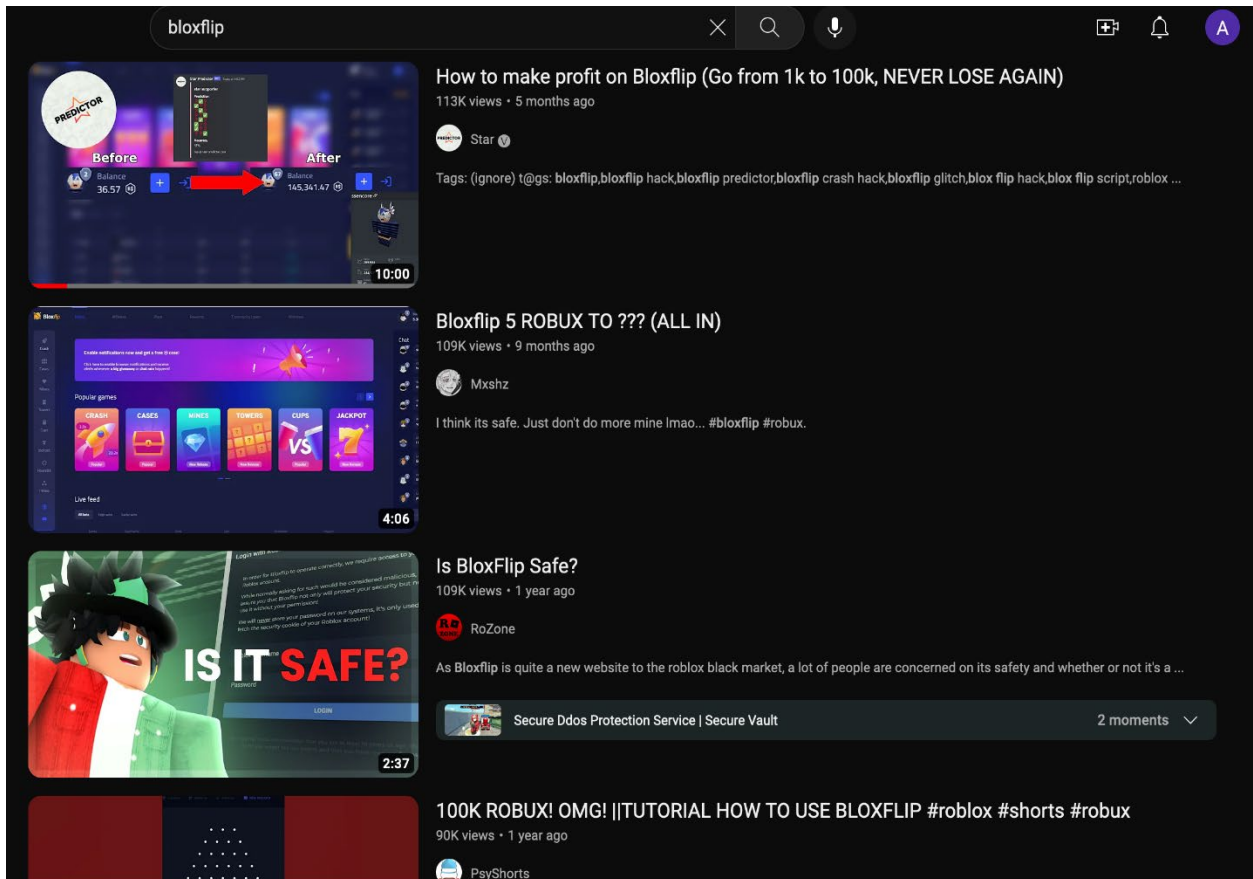
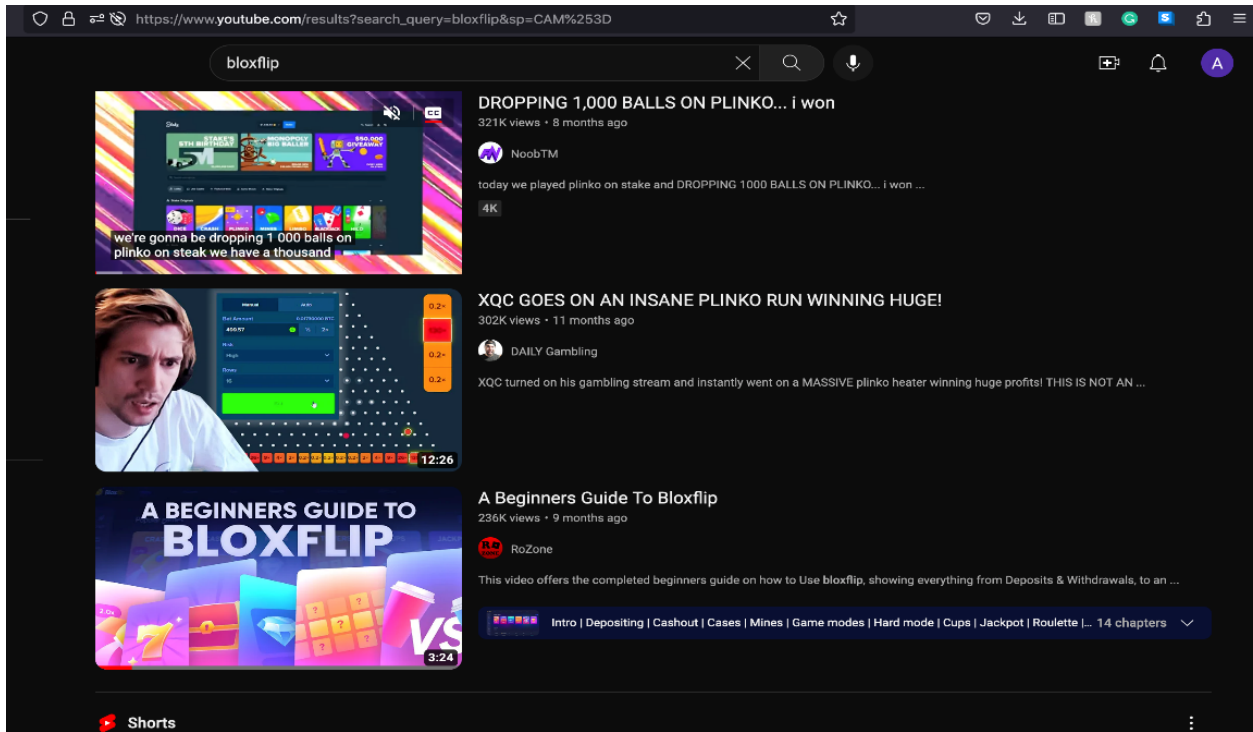
5 142. Further, in a January 2019 tweet sent to its more than 95,000 followers, the popular
 6 Twitter account “Roblox Trading News” tweeted that it “Got into an argument with the owner of the
 7 Roblox gambling site @rbxflip in which he bragged about how he was a ‘multi-millionaire’ off his
 8 site only to edit that portion out after I replied, ‘You made all your money off the backs of children
 9 losing thousands of dollars.’”³¹ “Roblox Trading News” is a social media personality followed and
 10 monitored by Roblox.

11 143. Another popular Roblox social media personality, “SharkBlox” (@SharkBloxYT),
 12 with over 196,000 followers, replied to this tweet and stated that these sites [the Illegal Gambling
 13 Websites] were “Also probably gonna get kids addicted to gambling. Sites like these suck. No body
 14 wins at gambling except the website owners, I just wish more people realized that.”³²

15 144. Additionally, both BloxFlip and RBLXWild have mounted social media ad campaigns
 16 with several videos totaling over one million views:
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 23
 24
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27 ³¹ <https://twitter.com/SharkBloxYT/status/1616172836736876552>

28 ³² *Id.*



1 145. Roblox is well aware of these highly visible campaigns to entice Roblox's minor
2 users to gamble and, although certain social media personalities may not know it, Roblox has been
3 greatly enriched by these campaigns.

4 146. Roblox is complicit in this illegal gambling scheme because it works in concert with,
5 and continues to allow, the Illegal Gambling Websites to operate on its platform and assesses a 30%
6 fee on all transactions of Robux to and from the Illegal Gambling Websites. This means Roblox has
7 likely earned hundreds of millions in fees charged on transactions related to illegal gambling.

8 147. Furthermore, Roblox executives are personally aware of the Illegal Gambling
9 Websites' existence and Roblox knows that the Websites do nothing to prevent its minor users from
10 gambling on the Websites with Robux.

11 148. Roblox understands the ease with which minor users are able to link their Robux wallet
12 to the Illegal Gambling Websites and begin illegally gambling, but has failed for years to prevent such
13 transactions.

14 ***III. Plaintiffs' Experiences***

15 ***A. David L. Gentry***

16 149. Plaintiff David L. Gentry is the parent and next friend of L.G. L.G. is a minor who
17 plays Roblox using his own user-created account. Minor Plaintiff L.G. is a resident of South Carolina
18 and is represented in this action by his father and next friend, Plaintiff David L. Gentry.

19 150. Minor Plaintiff L.G. has purchased thousands of Robux through the use his parents'
20 credit card linked to his Roblox account and gift cards that were under his complete ownership and
21 control.

22 151. Minor Plaintiff L.G. utilized his in-game currency to gamble on the Illegal Gambling
23 Websites.

24 152. Specifically, Minor Plaintiff L.G. has paid money to RBLXWild, RBXFlip, BloxFlip
25 and other Illegal Gambling Websites through Defendant Roblox.

26 153. Minor Plaintiff L.G. has lost thousands of Robux playing gambling games on
27 RBLXWild, RBXFlip, BloxFlip and other Illegal Gambling Websites.
28

154. At the time that Minor Plaintiff L.G. was wagering Robux on RBLXWild, RBXFlip, BloxFlip and other Illegal Gambling Websites, Plaintiff David L. Gentry was not aware that his son was using Robux to engage in gambling activities.

B. Osmany Rodriguez

155. Plaintiff Osmany Rodriguez is the parent and next friend of O.R. O.R. is a minor who plays Roblox using his own user-created account. Minor Plaintiff O.R. is a resident of Florida and is represented in this action by his father and next friend, Plaintiff Osmany Rodriguez.

156. Minor Plaintiff O.R. has purchased thousands of Robux through the use of his parents' credit cards linked to his Roblox account and gift cards that were under his complete ownership and control.

157. Minor Plaintiff O.R. utilized his in-game currency to gamble on the Illegal Gambling Websites.

158. Specifically, Minor Plaintiff O.R. has paid money to RBXFlip and other Illegal Gambling Websites through Defendant Roblox.

159. Minor Plaintiff O.R. has lost thousands of Robux playing gambling games on RBXFlip, and other Illegal Gambling Websites.

160. At the time that Minor Plaintiff O.R. was wagering Robux on RBXFlip and other Illegal Gambling Websites, Plaintiff, Osmany Rodriguez was not aware that his son was using Robux to engage in gambling activities.

C. Joshua R. Munson

1. Minor Plaintiff D.C.

161. Plaintiff Joshua R. Munson is the parent and next friend of D.C. D.C. is a minor who plays Roblox using his own user-created account. Minor Plaintiff O.R. is a resident of Georgia and is represented in this action by his father and next friend, Plaintiff Joshua R. Munson.

162. Minor Plaintiff D.C. has purchased thousands of Robux through the use of his parents' credit card linked to his Roblox account.

163. Minor Plaintiff D.C. utilized his in-game currency to gamble on the Illegal Gambling Websites.

164. Specifically, Minor Plaintiff D.C. has paid money to RBXFlip, BloxFlip and other Illegal Gambling Websites through Defendant Roblox.

165. Minor Plaintiff D.C. has lost thousands of Robux playing gambling games on RBXFlip, BloxFlip and other Illegal Gambling Websites.

166. At the time that Minor Plaintiff D.C. was wagering Robux on RBXFlip, BloxFlip and other Illegal Gambling Websites, Plaintiff Joshua R. Munson was not aware that his son was using Robux to engage in gambling activities.

2. Minor Plaintiff J.M.

167. Plaintiff Joshua R. Munson is the parent and next friend of J.M. J.M. is a minor who plays Roblox using his own user-created account. Minor Plaintiff O.R. is a resident of Georgia and is represented in this action by his father and next friend, Plaintiff Joshua R. Munson.

168. Minor Plaintiff J.M. has purchased thousands of Robux through the use of his parents' credit card linked to his Roblox account.

169. Minor Plaintiff J.M. utilized his in-game currency to gamble on the Illegal Gambling Websites.

170. Specifically, Minor Plaintiff J.M. has paid money to RBXFlip, BloxFlip and other Illegal Gambling Websites through Defendant Roblox.

171. Minor Plaintiff J.M. has lost thousands of Robux playing gambling games on RBXFlip, BloxFlip and other Illegal Gambling Websites.

172. At the time that Minor Plaintiff J.M. was wagering Robux on RBXFlip, BloxFlip and other Illegal Gambling Websites, Plaintiff Joshua R. Munson was not aware that his son was using Robux to engage in gambling activities.

3. Minor Plaintiff T.T.

173. Plaintiff Joshua R. Munson is the parent and next friend of T.T. T.T. is a minor who plays Roblox using his own user-created account. Minor Plaintiff O.R. is a resident of Georgia and is represented in this action by his father and next friend, Plaintiff Joshua R. Munson.

174. Minor Plaintiff T.T. has purchased thousands of Robux through the use of his parents' credit card linked to his Roblox account.

175. Minor Plaintiff T.T. utilized his in-game currency to gamble on the Illegal Gambling Websites.

176. Specifically, Minor Plaintiff T.T. has paid money to RBXFlip, BloxFlip and other Illegal Gambling Websites through Defendant Roblox.

177. Minor Plaintiff T.T. has lost thousands of Robux playing gambling games on RBXFlip, BloxFlip and other Illegal Gambling Websites.

178. At the time that Minor Plaintiff T.T. was wagering Robux on RBXFlip, BloxFlip and other Illegal Gambling Websites, Plaintiff Joshua R. Munson was not aware that his son was using Robux to engage in gambling activities.

4. Minor Plaintiff R.T.

179. Plaintiff Joshua R. Munson is the parent and next friend of R.T. R.T. is a minor who plays Roblox using his own user-created account. Minor Plaintiff O.R. is a resident of Georgia and is represented in this action by his father and next friend, Plaintiff Joshua R. Munson.

180. Minor Plaintiff R.T. has purchased thousands of Robux through the use of his parents' credit card linked to his Roblox account.

181. Minor Plaintiff R.T. utilized his in-game currency to gamble on the Illegal Gambling Websites.

182. Specifically, Minor Plaintiff R.T. has paid money to RBXFlip, BloxFlip and other Illegal Gambling Websites through Defendant Roblox.

183. Minor Plaintiff R.T. has lost thousands of Robux playing gambling games on RBXFlip, BloxFlip and other Illegal Gambling Websites.

184. At the time that Minor Plaintiff R.T. was wagering Robux on RBXFlip, BloxFlip and other Illegal Gambling Websites, Plaintiff Joshua R. Munson was not aware that his son was using Robux to engage in gambling activities.

D. Lavina Gann

185. Plaintiff Lavina Gann is the parent and next friend of S.J. S.J. is a minor who plays Roblox using his own user-created account. Minor Plaintiff S.J. is a resident of Tennessee and is represented in this action by his mother and next friend, Plaintiff Lavina Gann.

186. Minor Plaintiff S.J. has purchased thousands of Robux through the use of his parents' credit card linked to his Roblox account and gift cards that were under his complete ownership and control. Minor Plaintiff S.J. also received free promotional codes which would provide him with Robux that could be used on the Illegal Gambling Websites.

187. Minor Plaintiff S.J. utilized his in-game currency to gamble on the Illegal Gambling Websites.

188. Specifically, Minor Plaintiff S.J. has paid money to RBLXWild, BloxFlip and other Illegal Gambling Websites through Defendant Roblox.

189. Minor Plaintiff S.J. has lost thousands of Robux playing gambling games on RBLXWild, BloxFlip and other Illegal Gambling Websites.

190. At the time that Minor Plaintiff S.J. was wagering Robux on RBLXWild, BloxFlip and other Illegal Gambling Websites, Plaintiff Lavina Gann was not aware that her son was using Robux to engage in gambling activities.

CLASS ALLEGATIONS

191. Plaintiffs bring this action individually and on behalf of all others similarly situated. The proposed classes are defined as:

Nationwide Class:

All adult persons in the United States who, during the applicable limitations period, are or were the parent and/or legal guardian of a minor who acquired Robux through the Roblox platform and subsequently wagered and lost some or all of those Robux on any of the Illegal Gambling Websites.

South Carolina Class:

All adult persons residing in the State of South Carolina who, during the applicable limitations period, are or were the parent and/or legal guardian of a minor who acquired Robux through the Roblox platform and subsequently wagered and lost some or all of those Robux on any of the Illegal Gambling Websites.

Florida Class:

All adult persons residing in the State of Florida who, during the applicable limitations period, are or were the parent and/or legal guardian of a minor who acquired Robux through the Roblox platform and subsequently wagered and lost some or all of those Robux on any of the Illegal Gambling Websites.

Georgia Class:

All adult persons residing in the State of Georgia who, during the applicable limitations period, are or were the parent and/or legal guardian of a minor who acquired Robux through the Roblox platform and subsequently wagered and lost some or all of those Robux on any of the Illegal Gambling Websites.

Tennessee Class:

All adult persons residing in the State of Tennessee who, during the applicable limitations period, are or were the parent and/or legal guardian of a minor who acquired Robux through the Roblox platform and subsequently wagered and lost some or all of those Robux on any of the Illegal Gambling Websites.

192. The Nationwide Class, South Carolina Class, Florida Class, Georgia Class and Tennessee Class are collectively referred to herein as the “Classes.”

193. Excluded from the Classes are Defendants, their subsidiaries and affiliates, officers, directors, the members of their immediate families, and any entity in which any Defendant has a controlling interest, to include the legal representatives, heirs, successors, or assigns of any such excluded party. Also excluded are the judicial officer(s) to whom this action is assigned, and the members of their immediate families.

194. Plaintiffs reserve the right to modify or amend the definition of the proposed Classes if necessary, before this Court determines whether certification is appropriate.

195. This case is properly brought as a class action under Fed. R. Civ. P. 23(b)(2) and (b)(3) and all requirements are met for the reasons set forth in the following paragraphs.

196. Numerosity. The members of the Classes are so numerous that separate joinder of each member is impracticable. Upon information and belief, and subject to discovery, the Classes consist of many thousands of members, the identity of whom are within the exclusive knowledge of Defendants and can be ascertained only by resorting to Defendants' records, discovery, and other third-party sources.

197. Commonality. There are numerous questions of law and fact common to the Classes relating to Defendants' business practices challenged herein, and those common questions predominate over any questions affecting only individual Class members. The common questions include, but are not limited to:

- Whether the Defendants formed an Enterprise engaged in illegal gambling activity in violation of the federal RICO statute;
- Whether each Defendant and/or the Enterprise engaged in a pattern of racketeering activity in violation of 18 U.S.C. § 1962;
- Whether one or more Defendants engaged in unlawful or unfair conduct prohibited by the State Consumer Fraud Statutes;
- Whether Defendants, individually or collectively, violated 18 U.S.C. § 1955 by operating the gambling businesses described herein;
- Whether Defendant Roblox accepted payments in connection with unlawful internet gambling in violation of 31 U.S.C. § 5633;
- Whether Defendants unjustly enriched themselves to the detriment of Plaintiffs and members of the Class;
- Whether Defendants' collective conduct constitutes a civil conspiracy to violate state consumer protection statutes and/or commit negligence per se;
- The proper measure of damages; and
- The declaratory and injunctive relief to which the Class is entitled.

198. Typicality. Plaintiffs' claims are typical of the claims of the other Class members in that they arise out of the same wrongful business practices engaged in by Defendants, as described herein.

199. Adequacy of Representation. Plaintiffs are adequate representatives of the Classes because Plaintiffs, both individually and on behalf of their minor children, have sustained damage as a result of Defendants' uniform conduct. In addition:

- Plaintiffs are committed to the vigorous prosecution of this action individually and on behalf of and all others similarly situated and have retained competent counsel experienced in the prosecution of class actions and, in particular, class actions on behalf of consumers against financial institutions;
- There is no hostility of interest between Plaintiffs and the unnamed Class members;
- Plaintiffs anticipate no difficulty in the management of this litigation as a class action; and
- Plaintiffs' legal counsel has the financial and legal resources to meet the substantial costs and legal work associated with this type of litigation.

200. *Predominance*. The questions of law and fact common to the Classes as set forth in the "commonality" allegation above predominate over any individual issues. As such, the "commonality" allegations are restated and incorporated herein by reference.

201. *Superiority*. A class action is superior to other available methods and highly desirable for the fair and efficient adjudication of this controversy. Since the amount of each individual Class member's claim is very small relative to the complexity of the litigation and since the financial resources of Defendants are significant, no Class member could afford to seek legal redress individually for the claims alleged herein. Therefore, absent a class action, the Class members will continue to suffer losses and Defendants' misconduct will proceed without remedy. In addition, even if Class members themselves could afford such individual litigation, the court system could not. Given the complex legal and factual issues involved, individualized litigation would significantly increase the delay and expense to all parties and to the Court. Individualized litigation would also create the potential for inconsistent or contradictory rulings. By contrast, a class action presents far fewer management difficulties, allows claims to be heard which might otherwise go unheard because of the

1 relative expense of bringing individual lawsuits, and provides the benefits of adjudication, economies
2 of scale and comprehensive supervision by a single court.

3 202. All conditions precedent to bringing this action have been satisfied and/or waived.

4 CAUSES OF ACTION

5 COUNT I

6 VIOLATION OF RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS

7 ACT (“RICO”), 18 U.S.C. § 1961 *et seq.*

8 203. Plaintiffs hereby incorporate by reference the allegations contained in the preceding
9 paragraphs of this Complaint.

10 204. This Claim is brought on behalf of the Nationwide Class for actual and treble
11 damages and equitable relief under 18 U.S.C. § 1964. Members of the Nationwide Class are referred
12 to herein collectively as “Class Members.”

13 205. Plaintiffs, Class Members, Roblox, and each of the Illegal Gambling Website
14 Defendants are “persons” within the meaning of 18 U.S.C. § 1961(3).

15 206. As described herein, Plaintiffs allege that Defendants, individually and/or collectively,
16 violated 18 U.S.C. § 1962(c) and 18 U.S.C. § 1962(d).

17 *A. The Roblox RICO Enterprise*

18 207. Since at least 2019, Roblox, along with an enterprise of associated-in-fact entities
19 that controlled the Illegal Gambling Websites (the “Enterprise”), operated an unlawful online
20 gambling ring that preyed on children, adolescents, and teenagers. The Enterprise targeted Roblox’s
21 prime users—those under the age of eighteen—and encouraged them to wager Robux on virtual games
22 of chance, depriving these users of millions of Robux. As set forth herein, Robux have cash value and,
23 after the Enterprise acquired the sought-after digital currency from its victims, it converted Robux to
24 cash. The exchange of Robux for gambling credits occurred entirely on Roblox’s platform, with
25 Roblox’s knowledge and active engagement.

26 208. Roblox was associated with the illegal Enterprise and conducted and participated in the
27 Enterprise’s affairs through a pattern of racketeering activity including gambling, illegal
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1 gambling businesses, and laundering of monetary instruments, all in violation of 18 U.S.C. § 1962.

2 209. The RICO Enterprise that engaged in, and whose activities affected, interstate
3 commerce, is an association-in-fact enterprise within the meaning of 18 U.S.C. § 1961(4) and
4 consists of “persons” associated together for the common purpose of employing the multiple
5 deceptive, abusive, and fraudulent acts described herein.

6 210. At all times, the Enterprise consisted of at least Roblox and the owners and operators
7 of the Illegal Gambling Websites—Satuzoki, Studs, and RBLXWild. Each of these entities was at all
8 times aware that they were engaged in illegal gambling operations that relied on and was facilitated
9 by Roblox’s digital currency, Robux. Further, each of these entities knew that the primary users of
10 Roblox—children, adolescents, and teenagers under the age of eighteen—were wagering Robux on
11 the Illegal Gambling Websites.

12 211. The RICO Enterprise is an ongoing organization with an ascertainable structure and a
13 framework for making and carrying out decisions, that functions as a continuing unit with
14 established duties, and that is separate and distinct from the pattern of racketeering activity in which
15 Enterprise members have engaged and are engaging. The Enterprise was and is used by Roblox as a
16 tool to effectuate the pattern of racketeering activity.

17 212. Roblox, Satozuki, Studs, and RBLXWild were and are entities separate and distinct
18 from each other and from the Enterprise. All of the Enterprise constituents are independent legal
19 entities with the authority and responsibility to act independently of the Enterprise and of the other
20 Enterprise members.

21 213. The members of the Enterprise all had a common purpose: to facilitate and promote an
22 illegal gambling operation that preyed upon minor victims and thereby enrich themselves.

23 214. Each member of the Enterprise benefited from the common purpose: the Illegal
24 Gambling Websites acquired Robux wagered by minor users and thereafter converted those Robux to
25 cash. Roblox took a 30% fee each time the Illegal Gambling Websites made such a transfer.

26 ***B. Pattern of Racketeering Activity***

27 215. As set forth herein, Roblox conducted and participated in the affairs of the
28

1 Enterprise through a pattern of racketeering activity that lasted several years, beginning in at least
2 2019 and continuing to the present day. This pattern consisted of continuous acts involving
3 conducting, financing, managing, supervising, directing, or owning all or part of an illegal gambling
4 business, in violation of 18 U.S.C. § 1955.

5 216. Since at least 2019, Roblox and the Gambling Website Defendants have engaged in
6 numerous, continuous predicate acts that constitute racketeering activity, including its known
7 facilitation of illegal gambling websites that cater to, and prey upon, Roblox's minor users.

8 217. During the class period, Roblox has facilitated numerous exchanges of Robux for
9 gambling credits on its platform and thereafter permitted the Gambling Website Defendants to cash
10 those illegally-acquired Robux out in exchange for real-world currency, all while Roblox takes a 30%
11 fee from each transaction.

12 218. During the entirety of this period, and as set forth herein, Roblox knowingly
13 facilitated this racketeering activity; indeed, every exchange of Robux took place entirely on
14 Roblox's platform, using Roblox's technology, with Roblox's knowledge, and resulted in Roblox's
15 enrichment.

16 219. Furthermore, Roblox required each of the Gambling Website Defendants to register in
17 its Developer Exchange program, or to register a proxy or agent in the program, so that the Gambling
18 Website Defendants could exchange ill-gotten Robux for real-world currency. Because they were
19 registered in its Developer Exchange, Roblox knew and understood that the Gambling Website
20 Defendants and their agents were not selling goods to minors in exchange for Robux, but were instead
21 using the Roblox platform to exchange Robux for gambling credits. Roblox has in the past identified
22 such exchanges and characterized them as laundering fronts, demonstrating that it knows full well
23 when such sham exchanges are occurring.

24 ***C. Plaintiffs' Injuries***

25 220. Plaintiffs and members of the Classes were injured and lost money or property,
26 including but not limited to money paid for Roblox's in-game currency, Robux, as a result of the
27 illegal practices of the RICO Enterprise.
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221. Among other things, Plaintiffs would not have lost money playing illegal gambling games if not for the illegal acts and practices of the RICO Enterprise.

222. The wrongful conduct of the RICO Enterprise has been and remains part of the RICO Enterprise's ongoing way of doing business and constitutes a threat to the Plaintiffs' and the Classes' property. Without the repeated illegal acts and intentional coordination between all participants, the RICO Enterprise's scheme would not have succeeded and would not pose a threat to Plaintiffs and the Classes into the future.

COUNT II

VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW ("UCL")

"UNLAWFUL PRONG"

Cal. Bus. & Prof. Code §§ 17200, *et seq.*

223. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

224. As a result of engaging in the conduct alleged in this Complaint, Defendants have violated the UCL's proscription against engaging in "unlawful" conduct by virtue of their violations of the following laws:

225. California Penal Code § 330a states that "[e]very person, who has in his or her possession or under his or her control . . . or who permits to be placed, maintained, or kept in any room, space, inclosure, or building owned, leased, or occupied by him or her, or under his or her management or control, any slot or card machine, contrivance, appliance or mechanical device, upon the result of action of which money or other valuable thing is staked or hazarded, and which is operated, or played, by placing or depositing therein any coins, checks, slugs, balls, or other articles or device, or in any other manner and by mean whereof, or as a result of the operation of which any merchandise, money, representative or articles of value, checks, or tokens, redeemable in or exchangeable for money or any other thing of value, is won or lost, or taken from or obtained from the machine, when the result of action or operation of the machine, contrivance, appliance, or mechanical device is dependent upon hazard or chance . . . is guilty of a misdemeanor."

1 226. Defendants, individually and collectively, violate section 330a because they operate
2 illegal gambling websites upon which minors are able to, and do, gamble Robux, which have real-
3 world cash value, in virtual games of chance.

4 227. California Penal Code § 330b states that “[i]t is unlawful for any persons to
5 manufacture, repair, own, store, possess, sell, rent, lease, let on shares, lend or give away, transport, or
6 expose for sale or lease, or to offer to repair, sell, rent, lease, let on shares, lend or give away, or permit
7 the operation, placement, maintenance, or keeping of, in any place, room, space, or building owned,
8 leased, or occupied, managed, or controlled by that person, any slot machine or device, as defined in
9 this section.”

10 228. Defendants, individually and collectively, violate section 330b because they operate
11 illegal gambling websites upon which minors are able to, and do, gamble Robux, which have real-
12 world cash value, in virtual games of chance, including virtual slot machines and other gambling
13 devices defined as illegal under this section.

14 229. California Penal Code § 330.1(a) states that “[e]very person who manufactures, owns,
15 stores, keeps, possesses, sells, rents, leases, lets on shares, lends or gives away, transports, or exposes
16 for sale or lease, or offers to sell, rent, lease, let on shares, lend or give away or who permits the
17 operation of or permits to be placed, maintained, used, or kept in any room, space, or building owned,
18 leased, or occupied by him or her or under his or her management or control, any slot machine or
19 device as hereinafter defined, and every person who makes or permits to be made with any person any
20 agreement with reference to any slot machine or device as hereinafter defined, pursuant to which
21 agreement the user thereof, as a result of any element of hazard or chance, may become entitled to
22 receive anything of value or additional chance or right to use that slot machine or device, or to receive
23 any check, slug, token, or memorandum, whether of value or otherwise, entitling the holder to receive
24 anything of value, is guilty of a misdemeanor.”

25 230. Defendants, individually and collectively, violate section 330.1 because they operate
26 illegal gambling websites upon which minors are able to, and do, gamble Robux, which have real-
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1 world cash value, in virtual games of chance, including virtual slot machines and other gambling
2 games defined as illegal under this section.

3 231. **Under California Penal Code § 337j(a)(1)**, by “operat[ing], carry[ing] on,
4 conduct[ing], maintain[ing], or expos[ing] for play” unlicensed gambling in the state, Defendants,
5 individually and collectively, violate section 337j(a)(1).

6 232. **Under California Penal Code § 337j(a)(2)**, by “receiv[ing], directly or indirectly, any
7 compensation or reward or any percentage or share of the revenue, for keeping, running, or carrying
8 on any controlled game,” Defendants, individually and collectively, violate section 337j(a)(2).

9 233. The Illegal Gambling Business Act of 1970 (18 U.S.C. § 1955) (the **“IGBA”**): The
10 IGBA makes it a crime to “conduct, finance, manage, supervise, direct, or own all or part” of an illegal
11 gambling business.

12 234. Defendants, both individually and collectively, violate the IGBA because their
13 respective businesses involve five or more persons, have been in continuous operation for more than
14 thirty days, and violate California’s gambling laws as alleged herein.

15 235. The Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C. §§ **5361-5367**)
16 (the **“UIGEA”**): The UIGEA makes it illegal for a “person engaged in the business of betting or
17 wagering” to knowingly accept payments “in connection with the participation of another person in
18 unlawful Internet gambling.” 31 U.S.C. § 5633. “Unlawful Internet Gambling” is placing, receiving,
19 or transmitting a bet or wager through, at least in part, the Internet where such bet or wager “is unlawful
20 under any applicable Federal or State law in the State or Tribal lands in which the bet or wager is
21 initiated, received, or otherwise made.” 15 U.S.C. § 5362(10)(a).

22 236. Defendants, individually and collectively, violate the UIGEA because they operate the
23 illegal gambling websites upon which minors are able to, and do, gamble Robux, which have real-
24 world cash value, in virtual games of chance.

25 237. As alleged below, Defendants’ conduct, individually and collectively, violates section
26 1770(a)(14) of the Consumers Legal Remedies Act (“CLRA”). Therefore, Defendants have also
27 violated the UCL’s “unlawful” provision.
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238. Plaintiffs reserve the right to allege other violations of law, which constitute other unlawful business acts or practices. Such conduct is ongoing and continues to this date. Unless restrained and enjoined, Defendants will continue to engage in the unlawful conduct described herein.

239. Defendants' conduct caused and continues to cause substantial injury to Plaintiffs and the Class. As described herein, Defendants facilitate and profit from the Robux acquired through the Illegal Gambling Websites. Roblox not only hosts and facilitates the exchange of Robux for gambling credits, but it takes a fee each time the Gambling Website Defendants cash out Robux acquired from Roblox's minor users. But for Defendants' unlawful and unfair conduct, Plaintiffs and Class members would not and could not have lost Robux, which were purchased with real- world currency, and could not have engaged in illegal gambling on the Illegal Gambling Websites. Plaintiffs have suffered injury in fact and have lost money and property as a result of Defendants' conduct.

240. Defendants' unlawful conduct occurred in and emanated from California.

241. Accordingly, Plaintiffs seek restitution from Defendants of all money obtained from Plaintiffs and the Class as a result of Defendants' unfair competition.

COUNT III

VIOLATION OF THE CONSUMERS LEGAL REMEDIES ACT ("CLRA")

Cal. Civ. Code §§ 1750, *et seq.*

242. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

243. The conduct alleged in this Complaint constitutes unfair methods of competition and unfair and deceptive acts and practices for purposes of the CLRA, and was undertaken by Defendants, individually and collectively, in transactions intended to result in, and which resulted in, the sale of goods or services to consumers—namely, the sale of Robux, as well as Roblox's associated services in facilitating access to virtual gambling offered by the Gambling Website Defendants. In addition, Roblox provides users, including Class members, access to a gaming platform, which is itself a good or service, as those terms are defined by the CLRA, and this platform serves to direct minor users to the Illegal Gambling Websites, on which users can participate in illegal gambling activities.

244. As a result of Defendants' conduct, Plaintiffs and Class members purchased Roblox's goods and/or services for use by their minor children, and Defendant Roblox then facilitated those children to exchange Robux for gambling credits on the Roblox ecosystem and ultimately to participate in illegal gambling on the Illegal Gambling Websites.

245. By engaging in the conduct described herein, Defendants, individually and collectively, have violated subdivision (a)(14) of California Code § 1770 by "Representing that a transaction confers or involves rights, remedies, or obligations that it does not have or involve, or that are prohibited by law." Under this provision, omissions are actionable.

246. Defendants, individually and collectively, violated the CLRA by representing to Plaintiffs and their minor children that none of the developers that operate in the Roblox ecosystem host games that constitute illegal gambling and that Robux could not be used to engage in illegal gambling when, in fact, Defendants set up and collectively facilitated an illegal gambling enterprise in which adolescents and teenagers exchange Robux in the Roblox ecosystem for gambling credits for the express purpose of gambling. Moreover, Defendant Roblox publicly claimed, both in its terms of service and in public representations, that it actively monitored its platform to prohibit its minor users from engaging in illegal gambling when, in fact, it knowingly facilitated such illegal activities. Defendants further violated the CLRA by failing to disclose to Plaintiffs and their children that Roblox supported and facilitated an illegal gambling enterprise that minors could engage in using Robux.

247. Defendants' violations of the CLRA proximately caused injury in fact to Plaintiffs, their minor children, and the Class.

248. Defendants' unlawful conduct occurred in and emanated from California.

249. Defendants' conduct, individually and collectively, is wanton and malicious.

250. Pursuant to Cal. Civ. Code § 1782(d), Plaintiffs, individually and on behalf of the Class, seek a Court order enjoining the above-described wrongful acts and practices of Defendants and for restitution and disgorgement.³³

³³ Pursuant to Cal. Civ. Code § 1782(a), Plaintiffs intend to serve notice on Defendants at least 30 days prior to amending this complaint to seek actual, punitive, and statutory damages, as appropriate under the CLRA.

251. Defendants' conduct, individually and collectively, is wanton and malicious. Plaintiffs therefore further seek claims for actual, punitive, and statutory damages, as appropriate.

COUNT IV

VIOLATION OF THE FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT ("FDUTPA")

Fla. Stat. § 501.201, *et seq.*

252. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

253. The FDUTPA prohibits "[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce." Fla. Stat. § 501.204.

254. Defendant Roblox transmitted false and misleading information to Class members. In particular, Roblox represented to Plaintiffs and Class members that gambling was not permitted on its platform, yet facilitated the illegal gambling enterprise through the exchange of Robux that occurred entirely within Roblox's platform, with Roblox's knowledge and support.

255. The alleged misrepresentations and omissions made by Defendants were received by Plaintiffs and Class members where they resided.

256. Defendant Roblox expressly represented that it did not permit gambling to occur on its platform, that Robux cannot be used for gambling purposes, and that it monitored third parties to ensure that its platform was not used to facilitate illegal gambling using Robux. None of these representations are true or accurate, as set forth above.

257. Defendant Roblox further omitted material information from its users, including its minor users, failing to inform them that it was facilitating an illegal gambling enterprise along with the Gambling Website Defendants. Roblox also failed to inform its users that they could, in fact, use their Robux to engage in gambling activities, which were facilitated through the Roblox platform.

1 258. Defendant Roblox knew or should have known that its minor users could and were
2 likely to engage in illegal gambling using the Roblox platform, and therefore Roblox's representations
3 that such activities were prohibited were misleading and/or false.

4 259. Defendant Roblox did not disclose to Plaintiffs or the Class members that Roblox users,
5 including minors, could use Robux to engage in illegal gambling on the Illegal Gambling Websites,
6 and that Roblox facilitated such gambling by supporting the exchange of Robux for gambling credits
7 on its platform.

8 260. Defendant Roblox also did not disclose to Plaintiff or the Class members that it knew
9 that the Gambling Website Defendants were operating the Illegal Gambling Websites, or that Roblox
10 was facilitating the operation of these websites and profiting from their operation.

11 261. Defendant Roblox's misrepresentations and omissions were material because they were
12 likely to deceive reasonable consumers, including both parents and Roblox's minor users, about
13 whether Roblox facilitated illegal gambling using Robux.

14 262. Such acts by Defendant Roblox are and were deceptive acts or practices that were likely
15 to mislead a reasonable consumer, including Roblox's minor consumers, using the Roblox platform in
16 a reasonable manner.

17 263. As a direct and proximate result of the deceptive practices alleged herein, Plaintiff and
18 members of the Class have suffered (and will continue to suffer) the predatory harms inflicted by
19 Defendants' illegal gambling scheme. Plaintiffs have lost Robux, with monetary value, as a result of
20 Defendants' deceptive conduct.

21 264. Further, although Defendant Roblox has engaged in material misrepresentations and
22 omissions, as set forth herein, it has also participated in a civil conspiracy to violate state law along
23 with the Gambling Website Defendants. To accomplish their objectives, Defendants agreed to create
24 an illegal gambling environment that would cater to Roblox's minor users. The Gambling Website
25 Defendants created gambling websites that would accept Robux in exchange for gambling credits,
26 Roblox would facilitate the exchange of Robux for gambling credits on the Roblox platform, and
27 Roblox would charge a 30% fee when the Gambling Website Defendants cashed out the Robux
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1 obtained from minor users. Each participant in this conspiracy understood that Roblox was deceiving
2 its minor users and their parents or guardians when it claimed that Robux could not be used on its
3 platform to engage in illegal gambling when, in fact, Roblox was working with the Gambling Website
4 Defendants to achieve exactly this purpose.

5 265. Defendants' conduct was committed willfully and knowingly.

6 266. Plaintiffs and members of the Class lost Robux as a result of the violations described
7 herein, and these Robux have real-world monetary value.

8 267. Defendants' unlawful conduct constitutes a violation of the FDUTPA. Fla. Stat. §
9 501.201, *et seq.*

10 268. Plaintiff seek all monetary and non-monetary relief allowed by law, including damages,
11 injunctive relief, and attorneys' fees and costs, as well as all damages permitted as a result of
12 Defendants' civil conspiracy, including damages inflicted due to unlawful acts taken in furtherance of
13 the conspiracy.

14 **COUNT V**

15 **VIOLATION OF THE SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT**

16 **("SCUTPA")**

17 **S.C. Code Laws § 39-5-10, *et seq.***

18 269. Plaintiffs hereby incorporate by reference the allegations contained in the preceding
19 paragraphs of this Complaint.

20 270. The SCUTPA prohibits "[u]nfair methods of competition and unfair or deceptive acts
21 or practices in the conduct of any trade or commerce." S.C. Code Laws § 39-5-20.

22 271. Defendant Roblox transmitted false and misleading information to Class members. In
23 particular, Roblox represented to Plaintiffs and Class members that gambling was not permitted on its
24 platform, yet facilitated the illegal gambling enterprise through the exchange of Robux that occurred
25 entirely within Roblox's platform, with Roblox's knowledge and support.

26 272. The alleged misrepresentations and omissions made by Defendants were received by
27 Plaintiffs and Class members where they resided.

1 273. Defendant Roblox expressly represented that it did not permit gambling to occur on its
2 platform, that Robux cannot be used for gambling purposes, and that it monitored third parties to
3 ensure that its platform was not used to facilitate illegal gambling using Robux. None of these
4 representations are true or accurate, as set forth above.

5 274. Defendant Roblox further omitted material information from its users, including its
6 minor users, failing to inform them that it was facilitating an illegal gambling enterprise along with
7 the Gambling Website Defendants. Roblox also failed to inform its users that they could, in fact, use
8 their Robux to engage in gambling activities, which were facilitated through the Roblox platform.

9 275. Defendant Roblox knew or should have known that its minor users could and were
10 likely to engage in illegal gambling using the Roblox platform, and therefore Roblox's representations
11 that such activities were prohibited were misleading and/or false.

12 276. Defendant Roblox did not disclose to Plaintiffs or the Class members that Roblox users,
13 including minors, could use Robux to engage in illegal gambling on the Illegal Gambling Websites,
14 and that Roblox facilitated such gambling by supporting the exchange of Robux for gambling credits
15 on its platform.

16 277. Defendant Roblox also did not disclose to Plaintiff or the Class members that it knew
17 that the Gambling Website Defendants were operating the Illegal Gambling Websites, or that Roblox
18 was facilitating the operation of these websites and profiting from their operation.

19 278. Defendant Roblox's misrepresentations and omissions were material because they were
20 likely to deceive reasonable consumers, including both parents and Roblox's minor users, about
21 whether Roblox facilitated illegal gambling using Robux.

22 279. Such acts by Defendant Roblox are and were deceptive acts or practices that were likely
23 to mislead a reasonable consumer, including Roblox's minor consumers, using the Roblox platform in
24 a reasonable manner.

25 280. As a direct and proximate result of the deceptive practices alleged herein, Plaintiff and
26 members of the Class have suffered (and will continue to suffer) the predatory harms inflicted by
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1 Defendants' illegal gambling scheme. Plaintiffs have lost Robux, with monetary value, as a result of
 2 Defendants' deceptive conduct.

3 281. Further, although Defendant Roblox has engaged in material misrepresentations and
 4 omissions, as set forth herein, it has also participated in a civil conspiracy to violate state law along
 5 with the Gambling Website Defendants. To accomplish their objectives, Defendants agreed to create
 6 an illegal gambling environment that would cater to Roblox's minor users. The Gambling Website
 7 Defendants created gambling websites that would accept Robux in exchange for gambling credits,
 8 Roblox would facilitate the exchange of Robux for gambling credits on the Roblox platform, and
 9 Roblox would charge a 30% fee when the Gambling Website Defendants cashed out the Robux
 10 obtained from minor users. Each participant in this conspiracy understood that Roblox was deceiving
 11 its minor users and their parents or guardians when it claimed that Robux could not be used on its
 12 platform to engage in illegal gambling when, in fact, Roblox was working with the Gambling Website
 13 Defendants to achieve exactly this purpose.

14 282. Defendants' conduct was committed willfully and knowingly.

15 283. Plaintiffs and members of the Class lost Robux as a result of the violations described
 16 herein, and these Robux have real-world monetary value.

17 284. Defendants' unlawful conduct constitutes a violation of the SCUTPA. S.C. Code Laws
 18 § 39-5-10, *et seq.*

19 285. Plaintiff seek all monetary and non-monetary relief allowed by law, including damages,
 20 injunctive relief, and attorneys' fees and costs, as well as all damages permitted as a result of
 21 Defendants' civil conspiracy, including damages inflicted due to unlawful acts taken in furtherance of
 22 the conspiracy.

23 **COUNT VI**

24 **VIOLATION OF THE TENNESSEE CONSUMER PROTECTION ACT ("TCPA")**

25 **Tenn. Code § 47-18-101, *et seq.***

26 286. Plaintiffs hereby incorporate by reference the allegations contained in the preceding
 27 paragraphs of this Complaint.

1 287. The TCPA prohibits “[u]nfair or deceptive acts or practices affecting the conduct of any
2 trade or commerce.” Tenn. Code § 47-18-104.

3 288. Defendant Roblox transmitted false and misleading information to Class members. In
4 particular, Roblox represented to Plaintiffs and Class members that gambling was not permitted on its
5 platform, yet facilitated the illegal gambling enterprise through the exchange of Robux that occurred
6 entirely within Roblox’s platform, with Roblox’s knowledge and support.

7 289. The alleged misrepresentations and omissions made by Defendants were received by
8 Plaintiffs and Class members where they resided.

9 290. Defendant Roblox expressly represented that it did not permit gambling to occur on its
10 platform, that Robux cannot be used for gambling purposes, and that it monitored third parties to
11 ensure that its platform was not used to facilitate illegal gambling using Robux. None of these
12 representations are true or accurate, as set forth above.

13 291. Defendant Roblox further omitted material information from its users, including its
14 minor users, failing to inform them that it was facilitating an illegal gambling enterprise along with
15 the Gambling Website Defendants. Roblox also failed to inform its users that they could, in fact, use
16 their Robux to engage in gambling activities, which were facilitated through the Roblox platform.

17 292. Defendant Roblox knew or should have known that its minor users could and were
18 likely to engage in illegal gambling using the Roblox platform, and therefore Roblox’s representations
19 that such activities were prohibited were misleading and/or false.

20 293. Defendant Roblox did not disclose to Plaintiffs or the Class members that Roblox users,
21 including minors, could use Robux to engage in illegal gambling on the Illegal Gambling Websites,
22 and that Roblox facilitated such gambling by supporting the exchange of Robux for gambling credits
23 on its platform.

24 294. Defendant Roblox also did not disclose to Plaintiff or the Class members that it knew
25 that the Gambling Website Defendants were operating the Illegal Gambling Websites, or that Roblox
26 was facilitating the operation of these websites and profiting from their operation.

1 295. Defendant Roblox's misrepresentations and omissions were material because they were
2 likely to deceive reasonable consumers, including both parents and Roblox's minor users, about
3 whether Roblox facilitated illegal gambling using Robux.

4 296. Such acts by Defendant Roblox are and were deceptive acts or practices that were likely
5 to mislead a reasonable consumer, including Roblox's minor consumers, using the Roblox platform in
6 a reasonable manner.

7 297. As a direct and proximate result of the deceptive practices alleged herein, Plaintiff and
8 members of the Class have suffered (and will continue to suffer) the predatory harms inflicted by
9 Defendants' illegal gambling scheme. Plaintiffs have lost Robux, with monetary value, as a result of
10 Defendants' deceptive conduct.

11 298. Further, although Defendant Roblox has engaged in material misrepresentations and
12 omissions, as set forth herein, it has also participated in a civil conspiracy to violate state law along
13 with the Gambling Website Defendants. To accomplish their objectives, Defendants agreed to create
14 an illegal gambling environment that would cater to Roblox's minor users. The Gambling Website
15 Defendants created gambling websites that would accept Robux in exchange for gambling credits,
16 Roblox would facilitate the exchange of Robux for gambling credits on the Roblox platform, and
17 Roblox would charge a 30% fee when the Gambling Website Defendants cashed out the Robux
18 obtained from minor users. Each participant in this conspiracy understood that Roblox was deceiving
19 its minor users and their parents or guardians when it claimed that Robux could not be used on its
20 platform to engage in illegal gambling when, in fact, Roblox was working with the Gambling Website
21 Defendants to achieve exactly this purpose.

22 299. Defendants' conduct was committed willfully and knowingly.

23 300. Plaintiffs and members of the Class lost Robux as a result of the violations described
24 herein, and these Robux have real-world monetary value.

25 301. Defendants' unlawful conduct constitutes a violation of the TCPA. Tenn. Code § 47-
26 18-101, *et seq.*

302. Plaintiff seek all monetary and non-monetary relief allowed by law, including damages, injunctive relief, and attorneys' fees and costs, as well as all damages permitted as a result of Defendants' civil conspiracy, including damages inflicted due to unlawful acts taken in furtherance of the conspiracy.

COUNT VII

NEGLIGENCE PER SE

303. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

304. Pursuant to the IGBA (18 U.S.C. § 1955), Defendants are prohibited by federal law from conducting, financing, managing, supervising, directing, or owning all or part of an illegal gambling business.

305. Pursuant to the UIGEA (31 U.S.C. § 5363), Defendants are prohibited by federal law from knowingly accepting payments in connection with unlawful Internet gambling.

306. Pursuant to the following state laws, Defendants are prohibited from operating, managing, financing, directing, facilitating, and/or profiting from illegal gambling websites that permit anyone to place wagers in games of chance:

- a. Fla. Stat. Ann. § 849.01, *et seq.*
- b. Ga. Code Ann. § 16-12-20, *et seq.*
- c. S.C. Code Ann. § 16-19-10, *et seq.*
- d. Tenn. Code Ann. § 39-17-501, *et seq.*

307. The above-referenced laws and legal prohibitions imposed a duty upon Defendants to ensure Plaintiffs and Class members were not able to engage in illegal gambling activities using the Roblox platform, as well as a duty not to promote and provide access to the Illegal Gambling Websites through the Roblox platform, using Robux digital currency.

308. Defendants breached their duties to Plaintiffs and Class members under the aforementioned statutes and laws by providing Roblox's minor users with access to—and facilitating—illegal gambling through the Illegal Gambling Websites.

316. Plaintiffs and Class members conferred a monetary benefit on Defendants when they purchased Robux from Defendant Roblox, then wagered those Robux in the virtual casinos operated by the Gambling Website Defendants.

317. Defendants appreciated or had knowledge of the benefits conferred upon them by Plaintiffs and Class members.

318. As a result of Defendants' conduct, Plaintiffs and Class members suffered actual damages in an amount equal to the monies paid to obtain Robux that were subsequently wagered and lost on the Gambling Website Defendants' virtual casinos.

319. Under principles of equity and good conscience, Defendants should not be permitted to retain the money belonging to Plaintiffs and Class members because Defendants have obtained that money through misrepresentations and omissions, and by facilitating illegal gambling by Roblox's minor users.

320. Defendants should be compelled to disgorge into a common fund for the benefit of Plaintiffs and Class members all unlawful or inequitable proceeds received through the illegal gambling scheme described herein.

COUNT IX

CIVIL CONSPIRACY

321. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

322. At all times relevant hereto, Defendant Roblox was aware that the Gambling Website Defendants had operationalized illegal gambling websites that catered to Roblox's minor users and allowed minors to place wagers after exchanging Robux for gambling credits on the Roblox platform.

323. The Gambling Website Defendants, in turn, were aware that Roblox made representations stating that it did not permit gambling on its platform and that Robux could not be used to engage in illegal gambling. The Gambling Website Defendants understood that these were misrepresentations and/or material omissions, as Roblox knew about the Illegal Gambling Websites and facilitated the exchange of Robux for gambling credits.

324. Defendant Roblox actively facilitated the illegal gambling scheme by knowingly permitting the exchange of Robux for gambling credits on its platform and profiting from this exchange.

325. Each time the Gambling Website Defendants cashed out the Robux obtained from Roblox's minor users, a 30% fee was paid to Roblox, thus enriching all parties to the conspiracy.

326. Defendants jointly conspired to violate state consumer protection laws, to commit negligence per se, and to defraud Roblox's minor users by conducting their illegal gambling scheme targeted at those users.

327. Plaintiffs and Class members were harmed by Defendants' unlawful conspiracy, losing Robux digital currency as a result of Defendants' misconduct.

328. As a direct and proximate result of Defendants' negligent conduct, Plaintiffs and Class members have suffered injury and are entitled to damages in an amount to be proven at trial.

COUNT X

NEGLIGENCE

329. Plaintiffs hereby incorporate by reference the allegations contained in the preceding paragraphs of the Complaint.

330. Defendant Roblox undertook a duty of care when it provided a gaming platform that catered to, and was designed for, children and teenagers.

331. This duty included, at a minimum, a responsibility not to allow minors on its platform to engage in illegal behaviors, including gambling, that Roblox was actively facilitating.

332. Roblox also had a duty not to misrepresent, both to parents and to children themselves, the dangers faced by children on its platform, including the dangers of illegal gambling schemes in which Roblox was actively participating.

333. Roblox breached its duties to Plaintiffs, their minor children, and members of the Class, by permitting its minor users to wager Robux on the Illegal Gambling Websites, exchanging Robux for gambling credits on the Roblox platform.

334. Roblox's breach of its duties caused harm to its minor users, including G.D. and L.C., who lost Robux participating in the illegal gambling scheme perpetrated by the Gambling Website Defendants with Roblox's active participation.

335. As a result of this misconduct, Plaintiffs and Class members have been injured and seek damages in an amount to be proven at trial

REQUEST FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of the minor children and members of the Classes, respectfully request that the Court:

- a. Certify this case as a class action, designating Plaintiffs as class representatives and designating the undersigned as Class Counsel;
- b. Declaring that Defendants' conduct violates the statutes set forth above;
- c. Declaring that Defendants' conduct, as set out above, constitutes unlawful racketeering activities, and conspiracy to engage in the same;
- d. Award Plaintiffs and the Classes actual damages in amount according to proof;
- e. Award Plaintiffs and the Classes restitution in an amount to be proven at trial;
- f. Award Plaintiffs and the Classes pre-judgment interest in the amount permitted by law;
- g. Award Plaintiffs and their attorneys fees and costs as permitted by law;
- h. Declare Defendants' practices outlined herein to be unlawful;
- i. Enjoin Defendant from engaging in the practices outlined herein;
- j. Grant Plaintiffs and the Classes a trial by jury;
- k. Grant leave to amend these pleadings to conform to evidence produced at trial; and
- l. Grant such other relief as the Court deems just and proper, including all forms of relief provided for under the above causes of action.

JURY DEMAND

Plaintiffs demand trial by jury.

1 Dated: March 14, 2024

Respectfully submitted,

2 /s/ Michael McShane
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**Pro Hac Vice forthcoming*